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111 Sutter Street, Suite 700
San Francisco, California 94104
main 415.617.8900
fax 415.676.3000
www.stoel.com

December 21, 2005

BRUCE S. FLUSHMAN
Direct (415) 617-8905
bsflushman@stoel.com

United States Environmental Protection Agency
Kelcey Land, Enforcement Specialist
Technical Enforcement Program, 8ENF-RC
999 18th St., Suite 500
Denver, CO 80202-2466

**Re: Response to First Request for Information Pursuant to CERCLA Section 104(e)
For the Vermiculite Intermountain Site (#08-GA) in Salt Lake City, UT**

Dear Kelcey Land:

The following responds to EPA's First Request For Information pursuant to 42 U.S.C. § 9604(e) ("104(e) Request") accompanying its letter of October 10, 2005 ("October 10, 2005 Letter").

We have been requested by Robert F. Edwards ("Respondent"), one of the beneficiaries of the Frank Edwards Trust ("FET") and one of the successors in title ("FET Successors") to property at 110 South, 300 West, Salt Lake City, UT ("FET Warehouse") to respond to the October 10, 2005 letter.

In providing these responses, Respondent does not intend to waive any rights or defenses available to Respondent or any other FET Successor under any law, regulation or statute or arising out of or as the result of receiving title to the FET Warehouse from the FET. Moreover, the following responses are made subject to information presently available to Respondent, and may be revised, amplified or modified based on further investigation.

As you will see, the responses establish (1) the FET and the FET Successors, including Respondent, once owned property contiguous to the Vermiculite Intermountain Site as defined in the 104(e) Request ("Site") and (2) that the FET and the FET Successors, including Respondent, should not be considered an owner or operator of a facility under CERCLA § 107(a), 42 U.S.C. § 9607(a).

On behalf of Respondent and the FET Successors, we respectfully request the EPA provide the assurance and protection provided in CERCLA § 107(q)(3), 42 U.S.C. section 9607(q)(3), that the EPA will not initiate any enforcement action under CERCLA against the FET, Respondent, or any FET Successor and will grant such persons protection against a cost recovery or contribution action under CERCLA § 113(f), 42 U.S.C. section 9613(f).

Oregon
Washington
California
Utah
Idaho



United States Environmental Protection Agency
Kelcey Land, Enforcement Specialist
December 21, 2005
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We are available to discuss the responses and our conclusions at your convenience. Please do not hesitate to contact me at your convenience.

Very truly yours,



Bruce S. Flushman

**RESPONSE TO 104(E) REQUEST
VERMICULITE INTERMOUNTAIN SITE
ROBERT F. EDWARDS, JR – RESPONDENT**

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Blanket Caveat to Responses

In providing these responses, Respondent (as defined below) does not intend to waive any rights or defenses available to Respondent or any other FET Successor (as defined below) under any law, regulation or statute or arising out or as the result of receiving title to the FET Warehouse (as defined below) from the FET (as defined below). Moreover, the following responses are made subject to information presently available to Respondent, and may be revised, amplified or modified based on further investigation. Finally, by providing these responses Respondent does not admit, by implication or otherwise, that Respondent or any FET Successor is required to or has or had any obligation to respond to the 104(e) Request.

Blanket Objection to definition of term "Site:"

Respondent objects to the term "Site" as defined in the 104(e) Request as vague and ambiguous. The definition includes "properties at or near 100 South, 330 West implying, without identifying such properties, that the Site includes broadly, but undefined locations. The FET Warehouse (defined below), located at 110 South, 300 West, is not specifically included within the Site. Consequently, Respondent objects to each Question containing the word "Site" as vague and ambiguous. Respondent replies to the Questions assuming that the term "Site" does not include the FET Warehouse.

1. Identify the person(s) answering these Questions on behalf of Respondent.

***Response:** The 104(e) Request is directed to Robert F. Edwards. Robert F. Edwards is deceased. This response is provided by Robert Edwards Jr. as a beneficiary of the dissolved Frank Edwards Trust ("FET") and a successor in title to the property ("FET Successor") at 110 South, 300 West, Salt Lake City, UT ("FET Warehouse"). Mr. Edwards is referred to herein as "Respondent." Respondent's address is 1565 Adrian Rd., Burlingame, CA 94010-2107*

2. For each and every Question contained herein, identify all, persons consulted in the preparation of the answer,

***Response:** Other than counsel, Respondent will identify any such persons in connection with each response*

**RESPONSE TO 104(E) REQUEST
VERMICULITE INTERMOUNTAIN SITE
ROBERT F. EDWARDS, JR – RESPONDENT**

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3. For each and every Question contained herein, identify documents consulted, examined, or referred to in the preparation of the answer or that contain information responsive to the Question and provide accurate copies of all such documents.

Response: Respondent will identify any such documents in connection with each response

4. Provide a list of all property and casualty insurance policies (e.g., Comprehensive General Liability, Environmental Impairment Liability, Director and Officers policies) relevant to the Site for the period of 1900 through present. Specify the insurer, policy, effective dates, and state per occurrence policy limits for each policy. Copies of policies may be provided in lieu of a narrative response.

Response: See Blanket Objection to definition of term "Site," above. Further, neither the FET, Respondent, nor any FET Successor has ever owned, controlled, or operated on the Site.

In the interests of cooperation, and without waiving objections, Respondent provides the following response: the FET had no insurance.

Other than counsel, Respondent did not consult with any other person.

5. Provide copies of financial statements, reports, or projections prepared by, for or on behalf of the Respondent for the past five years, whether audited or unaudited, including, but not limited to, all those filed with the Securities and Exchange Commission, State agencies, and all financial institutions such as banks.

Response: None

6. Identify all persons who may be responsible for the potential liabilities of Respondent arising from or relating to the release or threatened release of hazardous substances at the Site, including but not limited to predecessors and successors.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

**RESPONSE TO 104(E) REQUEST
VERMICULITE INTERMOUNTAIN SITE
ROBERT F. EDWARDS, JR – RESPONDENT
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The FET Successors received the FET Warehouse in 1991 as a distribution from the FET. No FET Successor ever owned, controlled, or operated on the Site. The FET Successors sold the FET Warehouse in 1998. Respondent is unaware of any release or threatened release of hazardous substances at or from the FET Warehouse.

7. State the date that you acquired the property/properties in question and identify the person(s) from whom you acquired the property. Please furnish copies of deeds, leases, or other legal documents by which you acquired each property interest.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

The FET acquired the FET Warehouse from Richard's Estate represented by Tracy Collins Bank in August 1961. Respondent attaches as Exhibit A hereto true and correct copies of documents reflecting that transaction. Respondent and other FET Successors received title to the FET Warehouse as a distribution upon termination of the FET. Respondent attaches as Exhibit B hereto true and correct copies of documents reflecting that distribution.

8. If you shared ownership in any parcel of property at the Site with another person, provide the name, address, and telephone number of that person and describe the nature of their interest in the property.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

Respondent shared ownership of the FET Warehouse with other FET Successors. The names, addresses and telephone numbers of other FET Successors are:

<i>FET Successor</i>	<i>Address</i>	<i>Contact Information</i>
<i>Michele Edwards Scott</i>	<i>51 Upper North Terrace Tiburon, CA 94920</i>	<i><u>Communications with the FET Successors should be directed in care of:</u></i> <i>Robert F. Edwards 1565 Adrian Rd. Burlingame, CA 94010 650-652-2522</i>
<i>Kathryn Edwards- Robison</i>	<i>9208 So. Falcon Way Sandy, UT 84093</i>	
<i>Kerry Edwards</i>	<i>108 Baywood Ave. Hillsborough, CA 94010</i>	
<i>Robert F. Edwards</i>	<i>1565 Adrian Rd.</i>	

**RESPONSE TO 104(E) REQUEST
VERMICULITE INTERMOUNTAIN SITE
ROBERT F. EDWARDS, JR – RESPONDENT**

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<i>FET Successor</i>	<i>Address</i>	<i>Contact Information</i>
	<i>Burlingame, CA 94010</i>	

9. Prior to acquiring the property that you own at the Site, did you conduct or have conducted on your behalf, any physical inspection of the property, such as a Phase I or Phase II audit in accordance with ASTM standards? If so, describe that inspection and provide copies of any and all documents that report the findings of such inspection.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

The FET Successors received the FET Warehouse from the FET as a distribution upon termination of the FET. The FET Successors no longer own the property; the property was conveyed to FET Successors as the distribution on termination of a trust.

Prior to purchase of the FET Warehouse, the purchaser, La Quinta Inns, Inc., a Texas corporation ("La Quinta") conducted a physical inspection of the property and perhaps conducted a Phase I or equivalent investigation. A copy of "Phase I, Environmental Site Assessment, Developed Property, SWC 100S. 300W. Salt Lake City, UT" prepared in July 1997 by Western Technologies Inc for La Quinta is attached hereto as Exhibit C.

10. Describe what you knew about environmental conditions on the property at the time of your purchase, and what you knew about previous uses of the property at the time you acquired it

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

Respondent did not purchase the property; the property was conveyed to the FET Successors including Respondent from the FET. See response to Question 9, above. Respondent is aware that the building was used as a distribution warehouse for the storage and distribution of packaged automobile parts purchased from the original manufacturers. These parts were redistributed to various retail or wholesale establishments from the FET Warehouse. To Respondent's knowledge, no hazardous substance within the meaning of the CERCLA was stored, transported from or disposed at and no releases of any such hazardous substance occurred at the FET Warehouse.

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11. For all property interests that you identified in the previous question that you have subsequently sold, transferred, or otherwise conveyed:

- a. Provide the date of each such sale, *transfer*, or conveyance.
- b. Describe the property sold.
- c. Identify the person who acquired the property,
- d. Provide a copy of any and all documents including deeds and contracts that describe the terms and conditions of the transactions.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

- a. 1998
- b. FET Warehouse
- c. La Quinta
- d. Attached as Exhibit D is a copy (without Exhibits) of the Real Property Purchase Agreement between La Quinta and the FET Successors..

12. Was any business activity conducted on the property while you owned it? If so, describe the nature of that business activity, identify the persons that conducted the activity, and state when such activities occurred.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 10, above

13. Were any changes made to the property while you owned it? Changes for purposes of this question include building structures, walls, access roads, grading, recontouring, landscaping, removing structures, removing rock or soils, adding fill, or similar actions? If yes, please describe the changes made.

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Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

Respondent is unaware of any changes during the period when the FET Successors owned the FET Warehouse.

14. Describe all steps that you have taken to eliminate or reduce the risks associated with human exposure to hazardous substances on your property.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

The FET Successors received the FET Warehouse from the FET as a distribution upon termination of the FET. The FET Successors no longer own the property; the property was conveyed to FET Successors as the distribution on termination of a trust. In addition, see response to Question 10, above.

15. Did you lease any of the property you own at the Site to another person? If so, identify that person, describe their use of the property, and provide the time period covered by the lease. Provide copies of documents, including the leases in question that identify the parties to the leases and describe the terms and conditions of those leases.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

The FET Successors received the FET Warehouse from the FET as a distribution upon termination of the FET. As stated above, the FET Successors no longer own the FET Warehouse. Respondent is informed that at the time the FET Warehouse was received by the FET Successors the FET Warehouse was leased by the FET to the Frank Edwards Company("FECO") and that said lease arrangement extended from 1961 until approximately 1998. Attached hereto as Exhibit E is a true and correct copy of the lease with FECO

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16. Describe how any facilities associated with the vermiculite exfoliation and/or processing facility at the Site (including buildings, flues, and stacks) were demolished.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

Respondent has no knowledge about the subject matter of this Question other than Respondent is not aware that the FET Warehouse contained or had any facilities associated with vermiculite exfoliation and/or processing (including buildings, flues, and stacks).

17. When were those facilities demolished?

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

18. Identify the persons responsible for the demolition including any and all contractors hired to perform the work and those persons who made arrangements for the demolition.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

19. Describe and provide documents describing the results of any studies conducted related to environmental conditions in and around those facilities before they were demolished. This includes any efforts to detect the presence of asbestos at or in those facilities.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

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20. Describe all steps taken to prevent the release of hazardous substances during the demolition of those facilities.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

21. Describe any air quality monitoring that was conducted at the Site during the demolition of those facilities and provide documents that show the results of that monitoring.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

22. Describe how the debris resulting from the demolition was disposed of and identify the location of that disposal.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

23. Does the Frank Edwards Trust that owned property at the Site continue to exist? If yes, identify the current trustees of that trust.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 16, above.

The FET never owned property at the Site. The FET, which owned the FET Warehouse, was terminated/dissolved and all assets finally distributed to its beneficiaries in 1991. Respondent has no other knowledge about the subject matter of this Question.

**RESPONSE TO 104(E) REQUEST
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12/30/2005**

24. If the Frank Edwards Trust that owned property at the Site no longer exists, describe the circumstances of its termination, describe how the assets of the trust were distributed, and identify any successor trust or entity that was formed to take its place.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

See Response to Question 23, above.

25. If you have reason to believe that there may be persons able to provide a more detailed or complete response to any Question contained herein or who may be able to provide additional responsive documents, identify such persons and the additional information or documents that they may have.

Response: See Blanket Objection to definition of term "Site," above. In the interests of cooperation, and without waiving objections, Respondent provides the following response:

None.

**RESPONSE TO 104(E) REQUEST
VERMICULITE INTERMOUNTAIN SITE
ROBERT F. EDWARDS, JR - RESPONDENT
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12/28/2005**

NOTARIZED CERTIFICATE

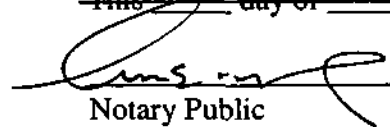
I, ROBERT F. EDWARDS, JR, having been duly sworn and being of legal age, hereby state:

1. I am the person responding to the Environmental Protection Agency's (EPA's) request for information concerning the Vermiculite Intermountain Site near Salt Lake City, Utah ("Information Request") directed to a deceased person. Robert F. Edwards, and the dissolved Frank Edwards Trust.
2. Subject to the Blanket Caveat above, I have made a complete and thorough review of all documents, information, and sources relevant to the Information Request that are available to me.
3. Subject to the Blanket Caveat above, I hereby certify that, to the best of my knowledge, the attached response to the Information Request is complete and contains all information and documents responsive to the request that are currently in my possession.


ROBERT F. EDWARDS JR.
A Frank Edwards Trust Beneficiary

(SEAL)

Subscribed and sworn to me on 12/28/2005
This 28 day of December, 2005.


Notary Public



My commission Expires 06/22/06
My address is 951 Marinus Dr Blvd
San Mateo CA 94404

TABBED PAGE

EXHIBIT A

Poor Quality Source Document

The following document
images have been
scanned from the best
available source copy.

To view the actual hard copy,
contact the Superfund Records
Center at (303) 312-6473.

TRACY-COLLINS BANK AND TRUST COMPANY
ESTABLISHED 1904

SALT LAKE CITY, UTAH

September 11, 1921

Frank Edwards, and
Robert F. Edwards,
1541 Jordan Road,
Bullington, Calif.

Gentlemen:

We have finally received the Richard's Deeds from
the County Recorder's office, and enclosed you
will find:

Special Warranty Deed signed by
Evalyn Crawford Richards

Executor's Deed, signed by First National Bank,

Trustee's Deed from Tracy-Collins Bank and
Trust Company.

I hope that I will have the opportunity of seeing
you in Salt Lake before long.

Sincerely yours,

Blaine

SMS:rk

Blaine M. Simons
Assistant Vice President

Encl.

1794177

13
Request of _____
Ref. _____

SPECIAL WARRANTY DEED

EVALYN CRAWFORD RICHARDS, of Salt Lake City, Utah, hereby conveys and warrants against and claims, in, through, or under her to FRANK EDWARDS and ROBERT EDWARDS, as joint tenants with rights of survivorship, Grantees of \$20,100.00 all of her 15% interest in the following described tract of land in Salt Lake County, State of Utah:

The East 6 rods of the North 10 rods of Lot 35, Block 35, Salt Lake City Survey.

Subject to taxes for the fiscal year 1961 and to all conditions, restrictions and reservations of record.

WITNESS the hand of said Grantor on this 14th day of August, 1961.

Evelyn Crawford Richards
EVALYN CRAWFORD RICHARDS

STATE OF UTAH

ss.

COUNTY OF SALT LAKE

On the 14th day of August, 1961, personally appeared before me EVALYN CRAWFORD RICHARDS the signor of the above Special Warranty Deed who duly acknowledged to me that she executed the same.

Edward P. [Signature]
NOTARY PUBLIC

RECORDING FUND AND FEE
SALT LAKE COUNTY
THE JUDICIAL CLERK
SLON 5-6273

Elcom 1-6177

of the First Part and all of the right, title, and interest of the estate of Willard Richards, deceased, in and to that certain piece or parcel of land lying and being in the County of Salt Lake, State of Utah, more particularly described as follows:

The East 5 rods of the North 10 rods of Lot 7 and the North 10-1/2 rods of Lot 8, Block 66, Plat A, Salt Lake City Survey.

Together with all improvements theretoever, to the same belonging or in any wise appertaining. Subject to taxes for the fiscal year 1961. Subject also to all conditions, restrictions, and reservations of record.

IN WITNESS WHEREOF, the said Party of the First Part, has executed these presents the day and year first above written.

ZIONS FIRST NATIONAL BANK, INC.

By CLARON O. SPENCER
Vice-President & Trust Officer

By FRANCIS M. CHIPMAN
Trust Officer

Executor of the Estate of
Willard Richards, deceased

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On this 14th day of August, 1961, personally appeared before me Claron O. Spencer and Francis M. Chipman, who being by my duly sworn aid say that they are respectively a Vice-President and Trust Officer and a Trust Officer of Zions First National Bank and that said instrument was signed in behalf of said corporation by authority of its bylaws, and said Claron O. Spencer and Francis M. Chipman acknowledged to me that said corporation executed the same.

Edward P. Westra
NOTARY PUBLIC

Residing at:

1794176

Recorded: AUG 13 1961 4:26 P.
Request of: A. P. LARSEN, Trustee
For: Paul Nollie M. Jack
Recorder, Salt Lake County, Utah
\$ 3.00 By: [Signature]
Ref. 244-26-10

TRUSTEE'S DEED

This indenture made this 11th day of August, 1961, at the City of Salt Lake, County of Salt Lake, State of Utah, by and between Tracy-Collins Bank & Trust Co., the duly appointed, qualified and acting testament-

ary trustee of the estate of George Gill Richards, deceased, the Party of the First Part, and Frank Edwards and Robert F. Edwards, as joint tenants with rights of survivorship, the Party of the Second Part,

WITNESSETH:

THAT WHEREAS, said Party of the First Part as testamentary trustee of George Gill Richards, deceased, has accepted an offer wherein Frank Edwards agreed to purchase the real estate hereinafter described of which this trust owns a 20% interest for a total purchase price of \$134,000.00 cash;

AND THEREFORE, Tracy-Collins Bank & Trust Co. as testamentary trustee of George Gill Richards, deceased, for and in consideration of the sum of \$26,800.00, the receipt of which is hereby acknowledged, does hereby grant and convey unto the said Party of the Second Part all the right, title and interest of the said George Gill Richards, deceased, together with all the right, title and interest of the said Party of the First Part, in and to that certain piece or parcel of land lying in Salt Lake County, more particularly described as follows:

The East 5 rods of the North 10 rods of Lot 7 and the North 10-1/2 rods of Lot 8, Block 66, Plat A, Salt Lake City Survey.

Together with all improvements whatsoever to the same belonging or in any wise appertaining. Subject to taxes for the fiscal year 1961. Subject also to all conditions, restrictions, and reservations of record.

IN WITNESS WHEREOF, the said Party of the First Part, as Testamentary Trustee, has executed these presents the day and year first above written.

TRACY-COLLINS BANK & TRUST CO.

By [Signature]
SAMUEL J. CARTER
Executive Vice-President

By [Signature]
HENRY E. OGAARD

ROCKMAN BIRD AND HART
ATTORNEYS AND COUNSELORS AT LAW
SALT LAKE CITY 11, UTAH
715 NEWSPAPER BUILDING
BLDG 5-4175

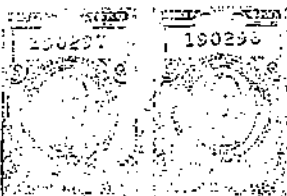
STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On this 11th day of August, 1961, personally appeared
before me Samuel J. Carter and Henry E. Ogaard, who being by me duly
sworn did say that they are respectively the Executive Vice-President and
Secretary of Tracy-Collins Bank & Trust Co. and that said instrument was
signed in behalf of said corporation, by authority of its bylaws and said
Samuel J. Carter and Henry E. Ogaard acknowledged to me that said
corporation executed the same.

Rich A. Kelaey
NOTARY PUBLIC
Residing at: Salt Lake City

My Commission Expires:

5/13/62



NOV 20 1961
 151 Second Ave. San Mateo
 Fee Paid, \$10.00, Jack
 Recorder, Salt Lake County, Utah
 2088
 151 Second Ave. San Mateo

GRANT DEED

FRANK EDWARDS and ROBERT F. EDWARDS, Grantors, of California

San Mateo, California, hereby convey and warrant against all
 claiming by, through, or under them, to ROBERT F. EDWARDS, Trustee
 under that certain trust indenture made under date of August 1,
 1961, by FRANK EDWARDS and HELEN R. EDWARDS, Trustees, and
 ROBERT F. EDWARDS, Trustee, for good and valuable consideration,
 the following described land in Salt Lake County, State of Utah:

The East five (5) rods of the North
 ten (10) rods of Lot 7, Block 66,
 Plat A, Salt Lake City Survey, and
 The North 10-1/2 rods of Lot 8,
 Block 66, Plat A, Salt Lake City
 Survey.

Together with all improvements whatsoever to the same
 belonging or in any wise appertaining. Subject to taxes for the
 fiscal year 1961 and to all conditions, restrictions and reserva-
 tions of record.

WITNESS, the hands of said Grantors this 16th day of
 August, 1961.

Frank Edwards
 FRANK EDWARDS
Robert F. Edwards
 ROBERT F. EDWARDS

STATE OF CALIFORNIA
 COUNTY OF SAN MATEO

On the 16th day of August, 1961, personally appeared
 FRANK EDWARDS and ROBERT F. EDWARDS, known to me to be the
 Grantors, and they acknowledged to me the execution of the foregoing
 instrument for the purposes and consideration therein expressed.

TABBED PAGE

EXHIBIT B

WHEN RECORDED, MAIL TO:
Clark W. Sessions, Esq.
CAMPBELL MAACK & SESSIONS
First Interstate Plaza, Suite 400
170 South Main Street
Salt Lake City, Utah 84101-1605
Telephone: (801) 537-5555

BOOKED
C. MARCH 21 1981
KATIE L. DIXON
CLERK, SALT LAKE COUNTY
CAMPBELL MAACK & SESSIONS
170 S. MAIN STREET, SALT LAKE CITY, UT 84101

SPECIAL WARRANTY DEED

5035592

ROBERT F. EDWARDS of San Mateo, California, Trustee of that certain trust indenture made under date of August 1, 1961, by Frank Edwards and Helen R. Edwards as Trustors and Robert F. Edwards as Trustee, as Grantor hereby conveys and warrants against all claiming by, through or under him to MICHELE E. SCOTT, 51 Upper North Terrace, Tiburon, California 94920, ROBERT F. EDWARDS, JR., 1739 Forestview Avenue, Hillsborough, California 94010, KATHRYN EDWARDS-REPKA, 1662 Sugarloaf Drive, San Mateo, California 94403, and KERRY EDWARDS, 108 Baywood Avenue, Hillsborough, California 94010, an undivided twenty-five percent (25%) interest each as tenants-in-common, collectively as Grantee, for the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following described tract of land in Salt Lake County, State of Utah, to wit:

The East five (5) rods of the North ten (10) rods of Lot 7, Block 66, Plat A, Salt Lake City Survey, and

The North 10-1/2 rods of Lot 8, Block 66, Plat A, Salt Lake City Survey.

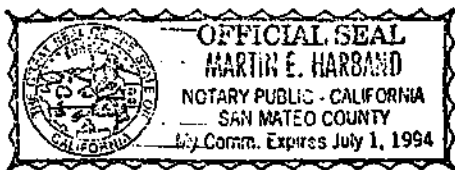
OK 6256

WITNESS the hands of said Grantor this 8th day of ~~January~~ ^{FEBRUARY}, 1991.

Robert F. Edwards
ROBERT F. EDWARDS, TRUSTEE

STATE OF CALIFORNIA)
: SS.
COUNTY OF SAN MATEO)

On the 8th day of ~~January~~ ^{February}, 1991, personally appeared before me ROBERT F. EDWARDS, the signer of the foregoing instrument who duly acknowledged to me that he executed the same.



My Commission Expires:

July 1, 1994

Martin E. Harband
NOTARY PUBLIC MARTIN E. HARBAND
Residing at:

901 Marinus Is. Blvd. #400
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EXHIBIT C

**PHASE I
ENVIRONMENTAL SITE ASSESSMENT
DEVELOPED PROPERTY
SWC 100 S. 300 W.
SALT LAKE CITY, UTAH**



**Western
Technologies
Inc.**

The Quality People
Since 1955

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Project No.: 4187JL168

Date: July 21, 1997

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EXECUTIVE SUMMARY

Western Technologies Inc. (WT) conducted a Phase I Environmental Site Assessment (ESA) on an approximately 3.24 acre developed property located at the southwest corner of 100 South 300 West in Salt Lake City, Utah. The ESA was based on a site visit to the property on July 10, 1997, an off-site reconnaissance of properties within a specified distance from the property, interviews with persons knowledgeable about the property, a regulatory records review and a review of ownership/use history.

WT concludes that six recognized environmental conditions have been identified for the subject property. These conditions are listed below and described in Section 8.0 of the report.

- Asbestos-Containing Building Materials
- Possible Buried Debris
- Previous Leaking USTs on Adjoining Properties
- Fluorescent Lights
- Previous Property Usage
- Possible UST on Subject Property

2.0 ENVIRONMENTAL SETTING

2.1 SITE LOCATION: The subject property occupies approximately 3.24 acres and is located at the southwest corner of 100 South 300 West in Salt Lake City, Utah. The site is located within the northern 1/2 of Section 1, Township 1 South, Range 1 West, Salt Lake Meridian, Salt Lake County, Utah. The general location of the subject property is shown in Figure 1, entitled Vicinity Map, presented in Appendix A. The property is bounded by 300 West and a parking lot on the east, a Utah Power & Light electrical power substation on the west, 100 South and the Delta Center sports arena on the north, and the Utah Paperbox Company on the south.

2.2 TOPOGRAPHY/DRAINAGE: The subject property is at an approximate elevation of 4260 feet above mean sea level according to the 1963 (photorevised 1969 and 1975) United States Geological Survey (USGS) topographic map. Natural surface drainage of the area flows towards the southwest. There are no well-defined watercourses on the property.

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) for the area dated August 1, 1983, the subject property is in an area determined to be outside of the 500-year flood event and is an area of minimal flooding (Zone C)¹.

2.3 GEOLOGY/HYDROGEOLOGY: According to a report of subsurface soils exploration² dated June 6, 1997, the subject site contains "uncontrolled fill consisting of a mixture of sands, gravels and clay varying in depth below the ground surface to between 7.5 to 13.5 feet overlying gravel and sand soils with varying amounts of clay". This report also stated that free water on the site was measured at depths of 20-25 feet below existing ground surfaces.

3.0 SITE CONDITIONS

Information contained in this section is based solely on: a site visit performed by WT on July 10, 1997; interviews with Mr. Bob Edwards, Mr. Rick Harman, and Mr. Hugh Brown of the Frank Edwards Company; and any specific references included in the following subsections. Figure 2 in Appendix A is a Site Plan. Photodocumentation of site conditions at the time of WT's site visit is provided in Appendix B.

3.1 CURRENT LAND USE: The subject property is currently developed with the Frank Edwards automobile parts distribution warehouse and offices. About 95 percent of the property is occupied by a building or is paved with asphalt. The remaining 5 percent of the property is landscaped.

The property is zoned D2 (downtown support district) according to information obtained from the Salt Lake City Zoning Department.

3.2 BUILDINGS: There is one structure on the property. This building is a combination one-story office and two-story warehouse facility and is approximately 30,000 square feet in size, according to Mr. Edwards. The building was constructed on a concrete slab and there is no basement beneath this building according to Mr. Brown. Mr. Brown stated that he did not know the exact age of the building but that it was built prior to 1962 when the Frank Edwards Company moved to the site. The building's exterior walls appear to be of masonry block, brick, or woodframe and stucco construction. A portion of the roof is flat and consists of built-up roofing. The remainder of the roof is arched and is covered with a roofing membrane material. The warehouse portion of the building is heated by ceiling mounted units that are powered with natural gas. Interior finishes present in the building include bare concrete, carpeted, and vinyl floor tile floors; 2' x 4' drop-in acoustical panel, and open wooden beam ceilings; masonry block, brick, or sheetrock walls; and fluorescent lighting.

3.3 UTILITIES: Electrical service, natural gas, and potable water are supplied to the site. The site is connected to the municipal sanitary sewer service, according to Mr. Brown.

3.4 ELECTRICAL TRANSFORMERS AND OTHER POTENTIAL PCB SOURCES: Some older electrical transformers, capacitors, generators, and fluorescent light ballasts may contain polychlorinated biphenyl (PCB) dielectric fluid. PCB is recognized as a toxic substance by the Federal Government under the Toxic Substance Control Act (TSCA). Any transformers containing PCBs at a concentration of 500 parts per million (ppm) or greater are subject to violations. Leakage from transformers containing PCBs onto soil or other permeable surfaces would present an area of environmental concern.

Five pole-mounted transformers were observed on the subject property. Two of these transformers are along the northern property boundary and three are located in the parking area by the building. Some staining was observed on the bottom of two of the transformers (#1022420 and #1022185) by the building. The ground below these transformers is paved with asphalt and did not appear to be stained. According to Mr. Dave Archer of Utah Power & Light (UP & L), these transformers are owned and maintained by UP & L and are non-PCB.

Since fluorescent lights are used on the subject property, suspect fluorescent light ballasts (i.e., pre-1979) should be sampled and properly disposed of if they contain PCBs.

3.5 ABOVEGROUND STORAGE TANKS: Aboveground storage tank (AST) registration is not generally required unless the tank contains hazardous waste/materials or requires a flammable (or combustible) contents permit from the local fire department. A permit is required for any AST containing greater than 25 gallons of combustible liquids within an enclosure or greater than 60 gallons if the AST is located outside.

No ASTs or surface indications of former ASTs were noted during the site visit.

3.6 UNDERGROUND STORAGE TANKS: Underground storage tanks (USTs) are tanks that store regulated substances and have at least 10 percent of their volume, including contents of associated pipes, underground. Surface evidence of existing or former USTs would include pump islands, cut-off pipes, fill ports, vent pipes and asphalt patches.

No surface evidence of existing or former USTs was noted during the site visit. According to Mr. Harman's knowledge, no USTs are present on the subject property.

3.7 HAZARDOUS MATERIAL STORAGE AREAS: A hazardous material is any manufactured material that could have an adverse effect on human health or the environment. Hazardous materials would include but are not limited to: hazardous substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); hazardous wastes as defined by the Resource Conservation and Recovery Act (RCRA); and petroleum products.

Numerous containers of potentially hazardous materials were noted during the site visit. These potentially hazardous materials include automotive fluids, lubricants, and cleaners. The containers are labelled and covered but are not stored in such a manner as to contain possible spills or leaks. These materials are stored in the warehouse area that has a concrete floor. No floor drains or other pathways for contaminant migration from this area were noted.

3.8 WASTE INDICATORS: Waste indicators would include: stressed vegetation; spillage/leakage of hazardous substances; staining of soil or other permeable surfaces; leachate or waste seeps; waste materials; disposal areas; construction/demolition debris; drums, barrels or containers which presently or could have formerly contained hazardous substances; unusual odors; and surface water discoloration, odor, sheen or free floating product.

Surface evidence of the waste indicators noted during the site visit is limited to used automobile batteries. These batteries were stored on the warehouse concrete floor. No leaks or spills around the batteries were noted.

No surface evidence of any of the other waste indicators listed above was noted on the subject property during the site visit.

3.9 AIR EMISSIONS: Air emissions from a given facility may be indicated by noticeable odors or dust, laboratory hoods, exterior vents and incinerators. No air emissions were noted emanating from the subject property during the site visit.

3.10 WASTEWATER/EFFLUENT DISCHARGES: Wastewater/effluent discharge would include: existing or former oil/water separators, sumps, dry wells, catch basins, injection wells, groundwater/wastewater treatment systems, septic tanks, leach fields, floor drains, compressor blowdown and exterior pipe discharges.

Surface evidence of wastewater/effluent discharges noted during the site visit is limited to a drain that may discharge to an oil/water separator at the southwest corner of the building. Neither Mr. Brown or Mr. Harman were sure what this drain is used for. Mr. Edwards thought the drain may be for snowmelt water. Additional information regarding discharge permits for the site has been requested from the Salt Lake County Public Utilities Department and will be forwarded when it is received by WT.

No surface evidence of any of the other wastewater/effluent discharges listed above was noted on the subject property during the site visit. According to Mr. Brown, the facility is connected to the municipal sewer system.

3.11 SENSITIVE RECEPTORS: Sensitive receptors are those that would be especially or adversely affected by a release of hazardous substances on the property. Sensitive receptors would include: exposed soil; surface water bodies and watercourses (including streams, washes, lakes, drainage ditches); impoundments (including lagoons, recharge basins and detention basins); swamps or wetlands; on-site groundwater monitoring or production wells; and on-site residents, students, hospital patients, parks or nature preserves.

Sensitive receptors noted during the site visit are limited to landscaped areas. None of the other sensitive receptors listed above were noted on the subject property during the site visit.

3.12 ASBESTOS: In conjunction with the site visit, a limited asbestos survey of the structure was conducted by a United States Environmental Protection Agency (USEPA) Certified Building Inspector. The purpose of this limited survey was to identify readily accessible suspect asbestos-containing building materials (ACBM) which may have been used in the construction or subsequent renovation of the building. ACBM is defined as any material which contains more than one percent asbestos. An identified ACBM may then be classified as either a friable

material (easily crumbled by hand pressure) or a non-friable material. The non-friable ACBM may further be defined as a Category I or Category II non-friable material depending on the type of material.

Asbestos was a common constituent of a wide variety of materials used in building construction. Often asbestos (usually chrysotile) was specified in the design of commercial and public buildings. Examples of typical interior building materials which often contained asbestos include: thermal system insulation, acoustical ceiling surfacing, wall systems and non-ceramic floor coverings.

Concern with potential adverse health effects associated with exposure to airborne asbestos fibers has led to the significant reduction of the use of asbestos in building materials. A number of Federal and State regulations have been enacted to control the manufacture, use, management, exposure to and removal of ACBM. Current regulations under the Clean Air Act require proper material removal techniques, handling and notification requirements for ACBM that will be disturbed during a building renovation or demolition. These regulations are referred to as the National Emission Standards for Hazardous Air Pollutants (NESHAPS) and are found in 40 CFR Part 61, Subpart M. Removal practices and employee exposures to ACBM are regulated by the Occupational Safety and Health Administration (OSHA) pursuant to 29 CFR 1926.1101.

3.12.1 Limited Asbestos Survey: A Utah licensed asbestos inspector conducted a limited survey of the accessible areas of the site. The purpose of the survey was to identify suspect asbestos-containing building materials (ACBM) such as pipe insulation, acoustic ceiling materials, non-ceramic flooring, and wall systems. Bulk samples were collected of suspect ACBM for analysis. Sample collection methods involved the possible destruction of interior finishes. WT is not responsible for damage to or replacement of any sampled building materials.

The WT inspector recovered 19 bulk samples of suspect ACBM and submitted them to an analytical laboratory for bulk asbestos content analysis using appropriate chain-of-custody

procedures. The samples were analyzed at a National Institute of Standards and Technology (NIST) accredited laboratory by Polarized Light Microscopy (PLM) methods.

This limited asbestos survey is not intended to accurately quantify (evaluate the extent of) the ACM found on-site for determination of remedial methods or costs.

3.12.2 Analytical Results: Analytical results indicate that asbestos was found in 8 of the 19 bulk samples submitted for testing. The materials identified as ACM are sheet vinyl flooring, vinyl floor tile, joint compound, and roofing tar. In addition, sample 7JL168-07A shows a composite asbestos concentration of Trace <1%. However, the joint compound constituent of this composite sample shows an asbestos content above the 1% limit. A summary table describing the sample location, sample type and asbestos content of the ACM, and copies of the analytical results are included in Appendix C.

All of the materials were identified as non-friable. Further, the flooring and roofing materials would be classified as Category I non-friable material. The joint compound is a Category II non-friable material. One of the sheet vinyl flooring samples (sample #7JL168-01A) appeared to be in poor condition. The other materials appeared to be in good condition.

3.13 RADON GAS: Radon is a naturally occurring radioactive gas. It is odorless, tasteless and invisible. Several years of research, based on the medical records of uranium mine workers, have shown a correlation between exposure to elevated radon concentrations and subsequent irradiation of lung tissues which can result in lung cancer. Because radon occurs as a gas, the pathway for exposure is via inhalation. Radon, itself, is an inert gas and does not interact with the body. It is the radioactive decay products of radon ("radon daughters") which are retained as solids and actually irradiate the lungs.

Radon is one of several materials produced through the natural decay of uranium to stable lead. As a gas, radon escapes from the soil and becomes airborne. Thus, the potential exists for radon to accumulate to concentrations above the remedial action level of 4.0 picocuries per liter (pCi/l) in structures throughout the United States.

Geologic materials which contain above average levels of uranium are potential sources of radon gas that can seep into homes and buildings and accumulate in elevated concentrations. Radon can be found in high concentrations in soils and rocks containing uranium, such as granite, shale, phosphate and pitchblende. Locations of these materials are highly unpredictable. Elevated levels of radon may also be found in soils contaminated with certain types of industrial wastes, such as the by-products from uranium or phosphate mining.

According to information from Environmental Data Resources (EDR), the average radon concentration in living areas for Salt Lake County is 1.670 pCi/L with 83% of the sites at less than 4.0 pCi/L. Basement areas show an average concentration of 2.960 pCi/L with 56% of the sites at less than 4.0 pCi/L.

3.14 LEAD-BASED COATINGS: For many years it has been known that lead in paint can cause learning disabilities and other developmental problems in children who ingest lead-based paint. As a result, the Department of Housing and Urban Development issued the Lead-Based Paint Poisoning Prevention Act and subsequently the Lead-Based Paint: Interim Guidelines for Hazardous Identification and Abatement in Public Housing. The regulations require that all public housing constructed prior to 1978 where children age 7 and under reside must be surveyed for lead-based paint prior to 1994. The 1978 effective date coincides with the regulatory requirement that all paint be manufactured with less than 600 mg/kg by weight of lead.

3.14.1 Limited Lead-Based Coatings Survey: The on-site survey and bulk material sampling was completed by WT on July 10, 1997. Bulk samples were collected from a random selection of locations within the facility. Ten samples were collected from the on-site structure. Samples were collected by removing all the layers of paint over a small sampling area.

The bulk samples were secured in suitable containers and marked for identification. The ten samples collected were sent to the analytical laboratory with chain-of-custody documentation.

Samples collected of suspected lead-based paint were sent to Analytica Solutions in Broomfield, Colorado. All of the containers were received at the laboratory with the seals intact and were accompanied by a chain-of-custody document. The samples were analyzed for total lead content by first digesting the sample in acid using EPA method 3050, then filtering the sample. The filtered portion of the sample is then analyzed by atomic absorption using EPA method 6010. The weight of lead was then determined to provide a result in mg/kg.

3.14.2 Analytical Results: A total of ten suspected lead-based paint samples were collected during the survey and submitted for analysis. Laboratory analysis detected one sample with a concentration above the 5000 mg/kg U.S. Department of Housing and Urban Development (HUD) regulatory limit. This sample was obtained from the brick wall near the heating/cooling unit on the upper warehouse level. The laboratory report and chain-of-custody documentation are presented in Appendix D. Specific details of individual sample location, type of material, and laboratory results are also included.

Not all painted surfaces on the site were sampled during the survey and it is possible that there are specific areas where lead-based paint has been used. It is not possible to sample every interior and exterior painted surface on the site and therefore it is possible that lead is a constituent of a painted surface above the regulatory limit of 5000 mg/kg.

4.0 OFF-SITE RECONNAISSANCE

The off-site reconnaissance was performed by WT on the same day as the site visit. The reconnaissance consisted of an assessment of adjoining properties and land uses which could have an adverse environmental impact on the subject property.

The area is generally developed with commercial and industrial properties. The subject property was bordered by the following streets, properties or land uses:

- 300 West Street and a parking lot to the east,
- 100 South Street and the Delta Center sports arena to the north,
- a UP & L electrical power substation to the west, and
- the Utah Paperbox Company to the south.

One facility (Utah Paperbox Company) on an adjoining property is listed as being regulated under the Resource Conservation and Recovery Act (RCRA) [see Section 5.1.3]. Additionally, Artistic Printing Company, a small quantity generator, is located approximately fifty feet west of the subject site (see Section 5.1.3).

According to the EDR report for the subject site and area reconnaissance, there is one facility within a distance of one-quarter of a mile that currently maintains USTs (see Section 5.3.1).

5.0 REGULATORY RECORDS REVIEW

Information in this section is based solely on the specific references contained within each subsection. Sources of information may include: commercially available and proprietary regulatory databases, regulatory agency files, personal interviews and telephone interviews. In some of the following subsections, the words upgradient, crossgradient and downgradient refer to the presumed groundwater flow direction in relation to the subject property. These determinations are based subjectively on regional hydrogeologic information, topographic maps and local site conditions.

5.1 FEDERAL: The following subsections discuss WT's findings based on a review of various federal databases by EDR and field reconnaissance of the area.

5.1.1 CERCLIS Database: The federal Superfund was authorized to finance the clean-up of abandoned disposal sites throughout the United States. A computer database of abandoned or inactive facilities, the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS), has been developed to support the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

After a potential site is discovered by the EPA, it is entered into the database and a preliminary site assessment is conducted. If warranted, a site investigation is conducted after which a site can be proposed for remediation and placed on the National Priorities List.

The CERCLIS database did not list the subject property, but identified one CERCLA site within a distance of one mile from the subject property. This site is:

- Utah Power & Light/American Barrel, 600 West South Temple, located approximately one-quarter of a mile in a crossgradient position from the subject site.

According to the EDR report, this site is under investigation to assess the extent of further action. The EDR report also states that this site is currently on the final NPL. More information

regarding this site has been requested from the EPA and will be forwarded to the client when it is received by WT.

5.1.2 NPL Database: The National Priorities List (NPL) is the Environmental Protection Agency's (EPA) database of uncontrolled or abandoned hazardous waste sites that have been identified for priority remedial actions under the Superfund Program. In order for a site to be included on the NPL, it must either meet or surpass a pre-determined hazard ranking system score, be chosen as a State's top-priority site, or meet all three of the following criteria: 1) the U.S. Department of Health and Human Services issues a health advisory recommending that people be removed from the site to avoid exposure; 2) the EPA determines that the site represents a significant threat; and 3) the EPA determines that the remedial action is more cost-effective than removal action.

The EDR report did not list the subject property, but identified two NPL sites within a distance of one mile from the subject property. These sites are listed as:

- Utah Power & Light PCB Storage, located at 4800 West 500 South

Reconnaissance of the area showed that the distance from the target property that is listed in the report (1/4-1/2 mile) is incorrect. This location of the NPL site is more than one mile from the subject site and should not be listed in the report.

- Utah Power & Light/American Barrel, 600 West South Temple, located approximately one-quarter of a mile in a crossgradient position from the subject site.

As noted in Section 5.1.1, more information regarding this site has been requested from the EPA.

5.1.3 RCRA Database: The Resource Conservation and Recovery Act (RCRA) database, maintained by the EPA, lists facilities that have notified the EPA of hazardous waste activity. The notifiers may engage in generation, transportation, treatment, storage, and/or disposal of hazardous wastes. Generators are listed as either large, small or conditionally exempt

generators. Large quantity generators (LQG) produce at least 1000 kg/month of non-acutely hazardous waste or 1 kg/month of acutely hazardous waste. Small quantity generators (SQG) produce 100-1000 kg/month of non-acutely hazardous waste. Conditionally exempt generators (CEG) are those which generate less than 100 kg/month of non-acutely hazardous waste. "Non-regulated" indicates that the facility filed a notification and/or a permit application, but claims not to generate, transport, treat, store or dispose of hazardous waste; or the facility falls into other specified categories of non-regulated under RCRA.

The RCRA database did not list the subject property, but identified one RCRA regulated facility on an adjoining property. This facility is listed on the EDR orphan summary page. In addition, one facility, Artistic Printing Company, is listed that is located approximately 50 feet west of the subject site. These facilities are:

- Utah Paperbox Company, adjoining to the south, SQG
- Artistic Printing Company, 377 West 100 South, SQG

In addition, the EDR RCRA database search did not identify any RCRA regulated treatment, storage or disposal (TSD) facilities within a distance of one mile from the subject property.

5.1.4 FINDS Database: The Facility Index System (FINDS) is a compilation of any property or site which the EPA has investigated, reviewed or been made aware of in connection with its various regulatory programs. Each record indicates the EPA Program Office that may have files on the site or facility.

According to the EDR report, the FINDS database did not list the subject property and did not identify any FINDS sites located on properties adjoining the subject property.

5.1.5 RAATS Database: The Resource Conservation and Recovery Act Administrative Action Tracking system (RAATS) tracks and records RCRA section 3008 Compliance Orders and Orders on Consent for the office of Waste Programs Enforcement, U.S. Environmental Protection Agency.

According to the EDR report, the RAATS database did not list the subject property and did not identify any major violations within a distance of one mile from the subject property.

5.1.6 ERNS Database: The Emergency Response Notification System (ERNS) is a listing compiled by the EPA of reported releases to the air, soil and/or water of hazardous and/or unidentified substances. This listing provides a limited amount of information on the type of material involved, the cause of the release, and damages or injuries associated with the release.

The ERNS database also lists the agencies notified, the responsible party, and the reporter of the release.

According to the EDR report, the ERNS database did not list the subject property and did not identify any release incidents within a distance of one-quarter of a mile from the subject property.

5.2 STATE OF UTAH: The following subsections discuss EDR's findings based on a review of various Utah Department of Environmental Quality databases and files.

5.2.1 LUST Database: The State of Utah Department of Environmental Quality (UDEQ) provides a database of the leaking underground storage tanks in Salt Lake City. According to the EDR report, this database did not list the subject property, but identified 5 LUST sites for businesses located within a distance of one-half mile from the subject property. WT believes that one of these sites (Heber Light & Power Plant) is located in Heber City, Utah and is not within a distance of one mile from the site. WT has also located a LUST site on an adjoining property that was listed on the EDR orphan summary sheet. These LUST sites are:

- Southeast corner of 100 South 300 West, adjoining to the east in an approximate up to crossgradient position from the subject site. According to a UDEQ file for this site, a corrective action plan has been approved. The corrective action plan calls for removal of several hundred cubic yards of impacted soil. On-site groundwater monitoring wells indicate that groundwater has not been impacted.

- Greyhound Lines, Inc. #8510, 160 West South Temple, located approximately one-quarter to one-half mile in an upgradient direction from the subject site.
- Salt Palace, 100 South West Temple, located approximately one-quarter to one-half mile in a crossgradient direction from the subject site.
- Rainbo #12, 163 West North Temple, located approximately one-quarter to one-half mile in an up to crossgradient direction from the subject site.
- Red Lion Hotel, 255 South West Temple, located approximately one-quarter to one-half mile in a cross to downgradient direction from the subject site.
- Heber Light & Power Plant, identified at 31 South 100 West in Heber City. This site has been misidentified as being in Salt Lake City.

In addition, the adjoining property to the north of the subject property is a former LUST site. According to the UDEQ file for this site, no further corrective action is in progress at this time and the site is not deemed to be a threat to human health or the environment.

5.2.2 State Hazardous Waste Sites: The State of Utah Department of Environmental Quality, maintains a database of waste site records which is the state's equivalent to CERCLIS. These sites may or may not already be listed on the federal CERCLIS list. Priority sites planned for cleanup using state funds are identified along with sites where cleanup will be paid for by potentially responsible parties.

According to EDR, this database does not show any sites within a distance of one mile from the subject property.

5.2.3 UDEQ Landfill Inventory/Closed Solid Waste Land Disposal Sites: The Utah Landfill Inventory/Closed Solid Waste Land Disposal Sites (SWF/LF) typically contain an inventory of solid waste disposal facilities or landfills in a particular state. Depending on the state, these may be active or inactive facilities or open dumps that failed to meet RCRA Subtitle D Section 4004 criteria for solid waste landfills or disposal sites.

According to the EDR report, this database did not show any sites within a distance of one mile from the subject property.

5.2.4 UST Database: The UDEQ has compiled a database of registered underground storage tanks in the State of Utah which includes the owner and location of the USTs. This database did not list the subject property. A review of this database combined with reconnaissance of the surrounding areas identified one facility with USTs within an approximate distance of one-quarter of a mile from the subject property. This facility is:

- Texaco (old Chevron), 279 West South Temple, located approximately one-eighth to one-quarter of a mile in an upgradient position from the subject property.

Since access to certain facilities may not have been possible, all facilities with USTs may not have been identified.

5.3 OTHER: The following subsections contain information from other public agencies.

5.3.1 Wetlands: The U.S. Army Corps of Engineers was contacted for wetlands information. According department personnel, the subject property is not in a wetlands designated area.

5.3.2 Salt Lake County Public Utilities: The Salt Lake County Public Utilities office was contacted regarding septic sewer system information and oil/water separator permit information for the subject site. WT has not received this information at the time of this report. WT will forward this information to La Quinta Inns, Inc. when it is received.

5.3.3 Fire Department: The Salt Lake City Fire Department was contacted regarding UST records and investigation reports for the subject property. According to the fire department, the department does not have any records regarding USTs on the subject site. The only investigative report the fire department has for the subject site is a complaint that combustible materials were being stored too close to a heating unit.

6.0 OWNERSHIP/USE HISTORY

Information in this section is based solely on the specific references contained within each subsection. Sources of information may include: personal interviews, telephone interviews, maps, aerial photographs, commercially available and proprietary databases, files and directories.

6.1 INTERVIEWS: According to Mr. Hugh Brown of the Frank Edwards Company, the property was developed with the current buildings before 1962 when the Frank Edwards Company moved onto the site. Mr. Brown stated that to the best of his knowledge, there was a trucking company previously on the site. Mr. Edwards stated that to his knowledge, a transmission repair shop was formerly on the site.

6.2 TOPOGRAPHIC MAP: One topographic map was identified for the subject property. The United States Geological Survey (USGS) Salt Lake City North, Utah, dated 1963 and photorevised in 1969 and 1975, was reviewed. This topographic map provided a limited amount of site-specific information for the subject property.

According to this map, there are four buildings on the site with a railroad spur that goes to one of the buildings. A railroad yard is shown approximately one-tenth of a mile to the west.

6.3 HISTORICAL AERIAL PHOTOGRAPHS: Aerial photographs from the U.S. Department of Agriculture were reviewed to evaluate past uses and relevant characteristics of the subject property and adjoining properties. Photographs from 1958, 1965, 1971, 1977, 1987, 1992, and 1993 were reviewed.

The earliest aerial photograph (1958) shows that the subject property and all adjoining properties appear to be commercially developed. The photographs show that the property may be used as a trucking depot.

The 1965, 1971, and 1977 photographs show no major changes from the 1958 photograph.

The 1987 photograph shows that the subject property is developed with one commercial building. The other structures that were previously on-site are no longer visible. The portion of the site that is currently used as a parking lot is shown as exposed soil. The adjoining properties to the north and south are commercially developed. The adjoining property to the east is vacant and appears to have been graded. The adjoining property to the west is developed with an electrical power substation.

The 1992 and 1993 photographs show that the subject site appears as it is currently developed. The northern adjoining property is developed with the Delta Center. The other adjoining properties appear to be unchanged except the eastern adjoining property is paved in the 1993 photograph and may or not be paved in the 1992 photograph.

6.4 HISTORICAL FIRE INSURANCE MAPS: Historical fire insurance maps from the Sanborn Map Company were reviewed to evaluate past uses and relevant characterizations of the subject property and adjoining properties. Fire insurance maps from 1889, 1898, 1911, 1949, 1950, and 1986 were reviewed.

The earliest fire insurance map (1889) shows that the subject property is developed with residential structures. The adjoining property to the south is shown as a combination of residential development and vacant parcels. The western adjoining property is developed with residences and the Salt Lake City Foundry and Manufacturing Company. The adjoining properties to the north and east are not shown on this map.

The 1898 fire insurance map shows no major changes to the subject property from the 1889 map. The northern adjoining property is developed with residences. A slaughterhouse is shown as being located across 100 South to the northwest of the subject property.

The 1911 fire insurance map shows that the eastern portion of the subject property is developed with residences. The western portion of the site is developed with a lumber yard. A railroad spur is also shown on the southern portion of the subject property. The foundation of the Public Service Company heating plant is shown on the western adjoining property.

The 1949 map shows that the subject property is developed with a lumber yard on the western portion and the Union Truck Depot and warehouses on the eastern portion. An area that is indicated as 'gas and oil' is shown on the northeastern corner of the property. A building that is labeled as 'insulating material works, rock grinding' is located either on the western edge of the subject property or is located on the western adjoining property. Since the property boundary is unclear, WT is unsure on which property this building is located. The map also indicates a General Electric Company repair facility adjoining to the southwest of the subject site. The southern adjoining property is shown with a paper box facility on it.

The 1950 map does not appear to show any major changes from the 1949 map.

The 1986 map shows several buildings on the subject site. The building that is currently on the site is designated as 'auto parts'. The other buildings that are on-site are designated as fire ruins or vacant. The eastern and northern adjoining properties are not shown on this map.

6.5 TITLE HISTORY: Title information was provided to WT by La Quinta Inns, Inc. and was reviewed. Title information was reviewed from 1945 to 1997. This information indicated that the property has been owned by various individuals and companies over the previous 52 years. This title information provided indications of past owners who may have been involved in the storage, transport, disposal or usage of hazardous materials on the subject property. These owners include the Utah Lumber Company, Utah Power and Light Company, the Salt Lake-Ogden Transportation Company. The information reviewed during this evaluation is presented in Appendix E.

6.6 GEOTECHNICAL REPORT: Nine soil borings were previously advanced on the subject property for geotechnical purposes. According to this geotechnical report dated June 6, 1997, concrete rubble and construction debris was found in at least one of the borings. The report also states that 'heavy organics' may need to be screened from the fill dirt that is underneath the site.

7.0 SUMMARY OF FINDINGS

Based on the site visit, the off-site reconnaissance, interviews, the regulatory records review and a review of ownership/use history, WT reiterates the following:

- The subject property is developed with an office/warehouse building that is used as an automobile parts distribution center.
- Groundwater in the area of the subject property is estimated to occur at depths of 20-25 feet below the ground surface.
- The subject property is in an area of minimal flooding.
- Five pole-mounted electrical transformers were noted on the subject property. Staining on the bottom of two of the electrical transformers was noted. These transformers appear to be owned and maintained by the Utah Power & Light Company (see Section 3.4).
- No aboveground storage tanks were observed and no surface evidence of former ASTs was noted on the subject property.
- No surface evidence of existing or former underground storage tanks was observed on the subject property and no registered USTs were present on the subject property or on adjoining properties. At least one Sanborn Historical Map indicates a gas/oil area formerly on the subject site. This may or may not be indicative of an on-site UST (see Section 6.4).
- Hazardous materials observed on the subject property are limited to automotive fluids, lubricants, and cleaners (see Section 3.7).
- Waste indicators (as described in Section 3.8) observed on the subject property are limited to used automobile batteries.
- No regulated air emissions were noted emanating from the subject property.
- Wastewater/effluent discharges (as described in Section 3.10) observed on the subject property are limited to an oil/water separator that may be on the property. Further information has been requested from Salt Lake City and will be forwarded when it is received by WT.
- Sensitive receptors (as described in Section 3.11) observed on the subject property are limited to landscaped areas.
- The limited asbestos survey found asbestos in flooring, joint compound, and roofing materials (see Section 3.12).

- According to information from EDR, the average radon concentration in living areas for Salt Lake County is 1.670 pCi/L with 83% of the sites at less than 4.0 pCi/L. Basement areas show an average concentration of 2.960 pCi/L with 56% of the sites at less than 4.0 pCi/L (see Section 3.13).
- The limited lead-based paint survey found one sample to be over 5,000 mg/kg (see Section 3.14).
- The subject property and adjoining properties were not identified as CERCLA, NPL, FINDS, RAATS, or ERNS sites.
- One CERCLA site was identified within a distance of one mile from the subject property (see Section 5.1.1).
- One NPL site was identified within a distance of one mile from the subject property (see Section 5.1.2).
- One RCRA facility was identified on an adjoining property (see Section 5.1.3).
- No RCRA TSD facilities were identified on properties within a distance of one mile from the subject property.
- No FINDS sites were identified on an adjoining property.
- No RAATS sites were identified within a distance of one-half mile from the subject property.
- No ERNS sites were identified within a distance of one-half mile from the subject property.
- Five UDEQ LUST sites were identified within a distance of one mile from the subject property (see Section 5.2.1). One site is located on the eastern adjoining property.
- No UDEQ Landfill/Solid Waste Facilities were identified within a distance of one mile from the subject property.
- One site with registered underground storage tanks was identified within a distance of one-quarter of a mile from the subject property (see Section 5.2.4).
- Wastewater discharge permits, investigation reports or violations for the subject property are currently being researched.
- No air permits have been identified as being issued for the subject property.

8.0 CONCLUSIONS AND RECOMMENDATIONS

Western Technologies Inc. has performed a Phase I Environmental Site Assessment of the subject property in conformance with the scope (meeting or exceeding) and limitations of ASTM Practice E1527. Any exceptions to, or deletions from, this practice are described in Section 9.2 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the property except for the following:

8.1 RECOGNIZED ENVIRONMENTAL CONDITIONS:

Asbestos-Containing Building Materials: The ACBM identified as part of this limited asbestos survey included: flooring, joint compound, and roofing materials. These materials would be classified as non-friable and would be further described as being in poor to good condition (See Section 3.12).

Since demolition activities are planned, Federal and State regulations require notification and prior removal of regulated ACBM if demolition activities will render the non-friable ACBM, which was identified on the subject property, friable. The ACBM removal must be performed by a licensed asbestos abatement contractor. Additionally, WT recommends that the client retain a qualified asbestos consulting firm to ensure compliance with all applicable laws (NESHAP, 40 CFR 61, Subpart M and OSHA, 29 CFR 1926.1101).

Possible Buried Debris: According to a geotechnical report that has been performed, there is buried debris on the site. This debris may consist of regulated wastes. WT recommends that the debris that may be located on the site be removed from the subject property and disposed of properly.

Previous Leaking Underground Storage Tanks on Adjoining Properties: USTs were previously located on the northern and eastern adjoining properties in approximate up to crossgradient positions from the subject property. There appears to have been an indication of groundwater contamination from USTs on the northern adjoining property site. The LUST on the eastern adjoining property appears to have impacted soil only. These sites may be considered an area of potential environmental concern due to their proximity to the subject property. WT

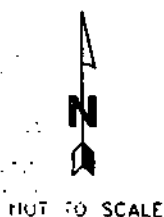
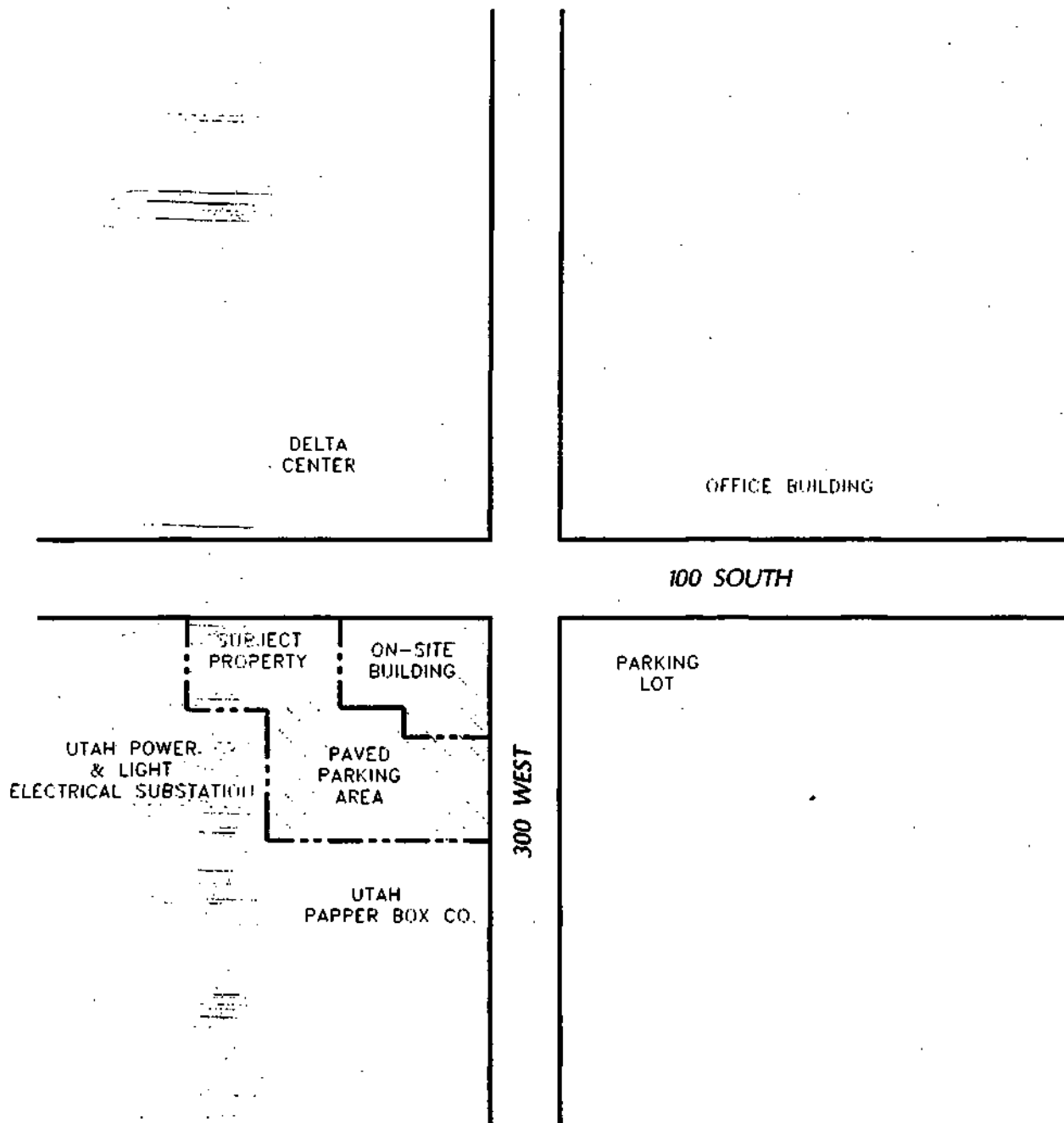
recommends a Phase II investigation to determine the impact, if any, to the subject property from these off-site USTs that were previously located on adjoining properties.

Fluorescent Lights: All fluorescent light ballasts should be inventoried and classified as to PCB content. Nearly all fluorescent light ballasts manufactured prior to 1979 contain PCBs. All PCB ballasts manufactured after July 1, 1978 that do not contain PCBs are required to be clearly marked "No PCBs". Since most ballasts also contain a date stamp in the metal base plate, the presence of a date as well as the "No PCB" label should be verified. Unmarked ballasts or ballasts without a date code should be classified as PCB ballasts.

Once classified as to PCB content, PCB ballasts should be checked for leakage. PCBs are usually a clear or yellow oil, and most PCB leaks are visible. However the asphalt potting material in ballasts with leaking asphalt may be contaminated with PCBs, and these ballasts should be classified as leaking. If leakage of any ballast is noted, a properly trained hazardous waste management company should be contacted for ballast removal and disposal.

Previous Property Usage: The property has been identified as previously used by a trucking company and a lumber yard. These companies may have been involved in the usage, storage, or transporting of hazardous substances. One structure, that may or may not have been on the subject property, was identified as being labeled 'insulating material works, rock grinding'. This may be indicative of an asbestos related facility.

Possible UST on Subject Property: A gas/oil area was labelled in the northeast corner of the subject site on some of the Sanborn Maps that were reviewed. It is unknown if this was an aboveground storage area or if there was underground storage of these products. There is therefore, the possibility that a UST or UST(s) may still be on the subject site. If UST(s) are discovered during excavation operations it (they) should be removed, disposed of properly, and sampling around the tank(s) should be performed to confirm that the surrounding environment has not been negatively impacted.



Project:	LA QUINTA INNS, INC.	
Diagram:	Site Plan	
Western Technologies Inc.		
Job No.	4187JL168	Figure 2

TABBED PAGE

EXHIBIT D

REAL PROPERTY PURCHASE AGREEMENT

THIS REAL PROPERTY PURCHASE AGREEMENT (this "Agreement"), dated this 27 day of MAY, 1998, is by and among La Quinta Inas, Inc., a Texas corporation ("La Quinta"); Michele E. Scott, an individual ("Scott"); Robert F. Edwards, Jr., an individual ("R. Edwards"); Kathryn Edwards-Repka, an individual ("Edwards-Repka"); and Kerry Edwards, an individual ("K. Edwards"). For purposes of this Agreement, Scott, R. Edwards, Edwards-Repka and K. Edwards are referred to individually as a "Seller" and collectively as "Sellers".

Recitals

A. Sellers own certain real property located at 110 South 300 West, Salt Lake City, Utah, which real property is more particularly described on Exhibit A attached hereto (as more specifically defined hereinafter, the "Subject Property").

B. La Quinta desires to acquire the Subject Property from Sellers, and Sellers are willing to sell the Subject Property to La Quinta, upon the terms and conditions set forth in this Agreement.

Agreement

In exchange for the mutual covenants of the parties set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, La Quinta and Sellers agree as follows:

1. Purchase and Sale.

(a) Upon and subject to the terms and conditions set forth in this Agreement, Sellers shall sell, convey and transfer the Subject Property to La Quinta, and La Quinta shall purchase the Subject Property from Sellers. Such sale, conveyance, transfer and purchase is referred to herein as the "Transaction".

(b) For purposes of this Agreement, including, without limitation, for purposes of the immediately preceding subsection (a), the term Subject Property shall include, in addition to the parcel of real property described on Exhibit A attached hereto: (i) all buildings, structures and improvements situated thereon; (ii) Sellers' right, title and interest in all adjacent streets, alleys, rights-of-way and any adjacent strips of real estate; (iii) all easements and rights-of-way appurtenant to or benefitting such parcel; (iv) all water rights, ditch rights and interests or shares in water or irrigation companies used in connection therewith; (v) all utility hook-ups and connections relating thereto; and (vi) all permits, approvals and development rights associated therewith.



2. Purchase Price.

(a) In exchange for the Subject Property, La Quinta shall pay to Sellers the sum of Two Million Two Hundred Thousand Dollars (\$2,200,000.00) (the "Purchase Price").

(b) Concurrently with the execution and delivery by La Quinta of this Agreement, La Quinta has delivered to the Title Insurance Company (as defined hereinafter), to be held in escrow, the sum of Twenty Five Thousand Dollars (\$25,000.00) (the "Initial Earnest Money Deposit"). If La Quinta does not duly terminate this Agreement pursuant to Section 7(b) hereof, and provided no Seller is then in default under this Agreement, La Quinta shall, within 25 days after the date of this Agreement, deliver to the Title Insurance Company, to be held in escrow, an additional sum of Seventy Five Thousand Dollars (\$75,000.00) (the "Additional Earnest Money Deposit" and, together with the Initial Earnest Money Deposit, the "Deposit"). The Deposit shall be applied as a credit against the Purchase Price at the Closing. If the Closing fails to occur as the result of any condition to Buyer's obligation to perform its obligations at Closing not being satisfied, or as the result of any breach or default on the part of any Seller under this Agreement, the Deposit shall be promptly returned to La Quinta. If the Closing fails to occur as the result of any breach or default on the part of La Quinta under this Agreement, the Deposit shall be disbursed to Sellers as liquidated damages in lieu of any other right or remedy Sellers may have as the result of such breach or default; provided, Sellers shall not be prevented from seeking the specific performance of La Quinta's duties and obligations under this Agreement. If Sellers successfully obtain a judgment or judicial order requiring La Quinta to specifically perform its duties and obligations under this Agreement, the Deposit shall be applied as a credit against the Purchase Price. Interest on the Deposit shall accrue to the account of La Quinta.

3. Date, Time and Place of Closing. Subject to the conditions stated in this Agreement, the consummation of the Transaction (the "Closing") shall be held on the first to occur of the 75th day after the date of this Agreement or the 60th day after La Quinta provides to Sellers written notice that the conditions set forth in subsections 7(a)(iii) and (iv) of this Agreement have been satisfied or that La Quinta has waived such conditions (the first to occur of such dates is referred to herein as the "Closing Date") at 9:00 a.m. at the offices of Title West, 2749 East Parleys Way, Salt Lake City, Utah 84109 (the "Title Insurance Company"), unless La Quinta and Sellers agree in writing that the Closing shall be held on an earlier date or at another time or location, in which case the term "Closing Date" shall refer to such earlier date. The Title Insurance Company shall serve as escrow agent and shall establish and administer an escrow through which the parties shall tender their respective closing obligations. If, prior to the date specified as the Closing Date above, Sellers are able to obtain a site plan approval and building permit from West Valley City, Utah with respect to the warehouse and office facilities Sellers intend to construct to replace the facilities at the Subject Property, Sellers shall reasonably cooperate with La Quinta to schedule an earlier date as the Closing Date. It is understood and agreed by the parties, however, that Sellers' duties and obligations under this Agreement are not conditioned upon Sellers' ability to obtain such site plan approval and building permit, and that Sellers shall not be excused from any of their duties or obligations under this Agreement if they are unable to construct such replacement facilities for any reason, including, without limitation,



as the result of the refusal of any governmental jurisdiction to issue any required approval or permit.

4. Closing Obligations. At the Closing, the following events shall occur, each being a condition precedent to the others and each being deemed to have occurred simultaneously with the others:

(a) Sellers shall deliver to each party specified below, the following items, executed and acknowledged by Sellers, as appropriate:

(i) To La Quinta, a general warranty deed conveying the Subject Property to La Quinta, which deed shall be in the form attached hereto as Exhibit B (the "Deed"), and which deed shall exclude from the warranties thereunder only the Permitted Exceptions (as hereinafter defined);

(ii) To La Quinta, an irrevocable commitment (the "Title Policy Commitment") pursuant to which the Title Insurance Company commits to issue to La Quinta, without any restriction or the satisfaction of any requirements, a standard coverage ALTA owner's title insurance policy insuring that La Quinta is the fee owner of the Subject Property, having a policy limit of \$2,200,000.00 and listing no exceptions to title other than the Permitted Exceptions and the standard "preprinted" exceptions;

(iii) To La Quinta, a document, in form and substance satisfactory to La Quinta, executed by Sellers and Frank Edwards Company, a Utah corporation ("FECO"), pursuant to which all leasehold and other interests of FECO in and to the Subject Property, other than pursuant to the FECO Lease (as hereinafter defined), are terminated;

(iv) To the Title Insurance Company, such documents and instruments as the Title Insurance Company may require to issue the Title Policy Commitment and to otherwise close the Transaction; and

(v) To La Quinta, possession of the Subject Property, subject to FECO's continued occupancy thereof pursuant to the FECO Lease.

(b) La Quinta shall deliver to Sellers, in immediately available funds, the Purchase Price, less the Deposit and any interest thereon, and shall provide the Title Insurance Company written authorization to disburse the Deposit and any interest thereon to Sellers.

(c) La Quinta and FECO shall execute and deliver the FECO Lease; provided, however, if FECO fails to execute and deliver the FECO Lease at Closing, La Quinta shall be released of its obligations under this subparagraph (c) and the execution and delivery of the FECO Lease shall not constitute a condition precedent to the Sellers' performance of their duties and obligations under this Agreement.

5. Closing Costs and Prorations. The parties' obligations to pay costs related to the Closing shall be as follows:



- (a) Sellers shall pay the cost of the owner's title insurance policy issued pursuant to the Title Policy Commitment.
- (b) Real property taxes on the Subject Property for the 1998 tax year shall be prorated between La Quinta and Sellers based upon the relative number of days each party owned the Subject Property during the 1998 tax year.
- (c) Sellers shall pay all recording and other fees in connection with the preparation and recording of any documents required to be recorded in order to render title to the Subject Property consistent with Sellers' representations and warranties to La Quinta.
- (d) The cost of recording the Deed shall be paid by La Quinta.
- (e) Each of Sellers and La Quinta shall pay one-half of any escrow or closing fee charged by the Title Insurance Company.
- (f) Any other fees or costs shall be paid by the party incurring the same.

6. FECO Lease. As additional consideration for the Subject Property, La Quinta shall, at Closing, offer to enter into a lease (the "FECO Lease") with FECO pursuant to which FECO shall be entitled to lease the Subject Property from La Quinta. The FECO Lease shall be substantially in the form of Exhibit C attached hereto.

7. Conditions to La Quinta's Obligation to Close.

(a) The obligations of La Quinta under this Agreement to be performed at the Closing are, at the option of La Quinta, subject to the satisfaction of each of the conditions set forth below prior to or in connection with the Closing or prior to such earlier date as may be specified below, which conditions may be waived by La Quinta without releasing or waiving any of its rights hereunder:

(i) On or before the Closing Date, Sellers shall have complied with and duly performed all agreements and conditions on their part to be complied with and performed pursuant to or in connection with this Agreement prior to or in connection with the Closing.

(ii) The representations and warranties of Sellers contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and all representations and warranties of Sellers and FECO contained in each document to be executed and delivered by Sellers or FECO in connection with the Closing shall be true and correct in all material respects on and as of the Closing Date.

(iii) On or before the 15th day after the date of this Agreement, La Quinta shall have been able to enter into a valid and binding contract, upon terms and conditions satisfactory to La Quinta in its sole discretion, to purchase certain real property adjacent to the



Subject Property that is currently owned by the law firm of Van Cort, Bagley, Cornwall & McCarthy, or an entity associated with such law firm.

(iv) On or before the 15th day after the date of this Agreement, La Quinta shall have been able to confirm, to its satisfaction, that all zoning, land use and building approvals that La Quinta previously obtained from all applicable governmental departments, authorities, boards and jurisdictions with respect to its intended project to be constructed on the Subject Property and the real property referenced in the immediately preceding subsection (iii) remain in effect or will be reissued.

(v) As of the Closing Date, there shall not have occurred any adverse change in the environmental condition or status of the Subject Property subsequent to the conduct of the environmental inspection which is the basis for the environmental report received by La Quinta with respect to the Subject Property, and there shall not have occurred any other material adverse change to the physical condition of the Subject Property subsequent to the date of this Agreement.

(b) If the conditions set forth in subsections 7(a)(iii) or (iv) of this Agreement have not been satisfied as of the 15th day after the date of this Agreement, La Quinta may terminate this Agreement by giving written notice of such termination to Sellers on or before the 18th day after the date of this Agreement. Upon such termination, the Deposit, together with any interest thereon, shall be disbursed by the Title Insurance Company to La Quinta, and the parties shall be released of all further duties and obligations under this Agreement. If La Quinta does not so elect to terminate this Agreement by timely providing such termination notice, the conditions set forth in subsections 7(a)(iii) and (iv) of this Agreement shall be deemed to have been satisfied or waived.

8. Conditions to Sellers' Obligation to Close. The obligations of Sellers under this Agreement to be performed at the Closing are, at the option of Sellers, subject to the satisfaction of each of the conditions set forth below prior to or in connection with the Closing, which conditions may be waived by Sellers without releasing or waiving any of their rights hereunder.

(a) On or before the Closing Date, La Quinta shall have complied with and duly performed all agreements and conditions on its part to be complied with and performed pursuant to or in connection with this Agreement prior to or in connection with the Closing.

(b) The representations and warranties of La Quinta contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and all representations and warranties of La Quinta contained in each document to be executed and delivered by La Quinta in connection with the Closing shall be true and correct in all material respects on and as of the Closing Date.

9. Representations and Warranties of Sellers. For purposes of the representations and warranties of Sellers under this Section 9, all knowledge of FECO shall be attributed to each



Seller. Sellers represent and warrant to La Quinta that the immediately following subsections (a) through (e) are true, complete and correct in all material respects as of the date of this Agreement, and will be true, complete and correct in all material respects as of the Closing:

(a) This Agreement has been duly executed and delivered by Sellers and constitutes a valid and binding obligation of Sellers, enforceable against Sellers in accordance with its terms.

(b) Sellers own fee simple title to the Subject Property, free and clear of all mortgages, trust deeds, liens, financing statements, encumbrances, leases (other than such leases as shall be canceled effective as of the closing pursuant to the document referenced in Section 4(a)(iii) of this Agreement), restrictive covenants, easements, rights-of-way, adverse claims, title defects or other matters except as set forth on Exhibit D attached hereto (the matters set forth on Exhibit D attached hereto are referred to herein as the "Permitted Exceptions").

(c) There are no pending or, to Sellers' knowledge, threatened or contemplated claims or litigation by or against Sellers or FECO regarding the Subject Property. If any Seller becomes aware of any of the foregoing after the date of this Agreement, but prior to the Closing Date, such Seller shall give prompt written notice thereof to La Quinta.

(d) To the best knowledge of Sellers, there is not pending, proposed or threatened any condemnation or eminent domain action with respect to the Subject Property.

(e) To the best knowledge of Sellers, the Subject Property is in compliance with "Applicable Law" (as defined hereinafter), and there are no storage tanks, septic tanks or underground injection wells in, at, on or under the Subject Property, except as disclosed in writing to La Quinta. To the best knowledge of Sellers, the Subject Property contains no asbestos-containing material, no material which contains and may emit formaldehyde into the air, no polychlorinated biphenyls ("PCB") or PCB-containing equipment or articles, no lead-bearing paint or paint products, and no radon in excess of levels which are protective of human health, except as disclosed in writing to the Buyer. For purposes of this subsection, "Applicable Law" means all existing federal, state or local laws, common law, statutes or regulations, including, without limitation, those relating to the protection of human health and safety, protection of the environment or prevention of pollution.

10. Representations and Warranties of La Quinta. La Quinta represents and warrants to Sellers that the immediately following subsections (a) and (b) are true, complete and correct in all material respects as of the date of this Agreement, and will be true, complete and correct in all material respects as of the Closing:

(a) La Quinta is a corporation duly formed and validly existing under the laws of the State of Texas, is fully authorized and empowered to execute, deliver and enter into and perform this Agreement, and has approved this Agreement by all required corporate action.

(b) This Agreement has been duly executed and delivered by La Quinta and constitutes a valid and binding obligation of La Quinta, enforceable against La Quinta in accordance with its terms.

11. Use of Subject Property Pending Closing. From and including the date of this Agreement to and including the Closing Date, Sellers shall not, and shall cause FECO not to: (a) make any material modifications or alterations to the Subject Property without the prior written consent of La Quinta; and (b) take any action or fail to take any action necessary to cause the representations and warranties of Sellers set forth in Section 9 of this Agreement to be true and correct in all material respects on the Closing Date.

12. Cooperation With Tax-Free Exchange. Sellers desire to effectuate a deferred tax-free exchange under Section 1031 of the Internal Revenue Code by causing the Purchase Price to be delivered to a qualified intermediary and then applied to the acquisition and construction of replacement property. La Quinta shall reasonably cooperate with Sellers, at Sellers' request, to effectuate such a deferred tax-free exchange. La Quinta shall not be required, however, to incur any expense, other than nominal expense, in providing such cooperation; to take title to or construct any such replacement property, or to provide tax or legal advice to Sellers with regard to such exchange. Other than to provide its reasonable cooperation as described above, La Quinta shall have no liability or responsibility to Sellers with regard to the success or failure of Sellers to obtain or achieve any particular tax treatment with regard to the Transaction.

13. Indemnification.

(a) Indemnification by Sellers. Sellers shall jointly and severally defend, indemnify and hold harmless La Quinta, its owners, officers, employees, representatives and agents, and all of their respective successors and assigns, from and against any and all claims, demands, damages, losses, liabilities, costs (including, without limitation, accounting, consulting, investigation, remediation, court and appeal costs), expenses, obligations, fees (including, without limitation, reasonable attorney's fees), recoveries, judgments and good faith settlements of claims or judgments occurring, arising or resulting from:

(i) Any Seller's or FECO's use, occupancy or ownership of the Subject Property prior to the Closing;

(ii) Any of Sellers' covenants, obligations, duties or agreements contained in this Agreement being breached; or

(iii) Any circumstances, conditions, events or occurrences contrary to any representation of warranty of any Seller under this Agreement.

Sellers shall have no obligation under this subsection (a) with respect to any matter occurring, arising or resulting from the negligence, fault, wrongful act or wrongful omission of La Quinta.



(b) Indemnification by La Quinta. La Quinta shall defend, indemnify and hold harmless Sellers, their representatives and agents, and all of their respective successors and assigns, from and against any and all claims, demands, damages, losses, liabilities, costs (including, without limitation, accounting, consulting, investigation, remediation, court and appeal costs), expenses, obligations, fees (including, without limitation, reasonable attorney's fees), recoveries, judgments and good faith settlements of claims or judgments occurring, arising or resulting from:

(i) La Quinta's use, occupancy or ownership of the Subject Property after the Closing;

(ii) Any of La Quinta's covenants, obligations, duties or agreements contained in this Agreement being breached; or

(iii) Any circumstances, conditions, events or occurrences contrary to any representation of warranty of La Quinta under this Agreement.

For purposes of the immediately preceding clause (i), no use or occupancy of the Subject Property by FECO after the Closing shall be attributable to La Quinta. La Quinta shall have no obligation under this subsection (b) with respect to any matter occurring, arising or resulting from the negligence, fault, wrongful act or wrongful omission of FECO or any Seller.

14. Specific Performance. Each of Sellers and La Quinta recognize and acknowledge that the other has taken or will take significant actions and incur significant costs in reliance upon the performance of the other of all of his, her or its duties and obligations under this Agreement. Sellers and La Quinta would be irreparably harmed if the other wrongfully failed to perform his, her or its duties and obligations under this Agreement. Consequently, Sellers and La Quinta shall each be entitled, in addition to all other rights and remedies as may be available at law or in equity, to the remedy of specific performance upon the occurrence of any breach or default on the part of the other in the performance of his, her or its duties or obligations under this Agreement.

15. Miscellaneous.

(a) Each of Sellers and La Quinta shall be solely responsible to pay when due any and all broker's, finder's or realtor's fees or commissions relating in any way to the Transaction to the extent such fees or commissions arise as the result of his, her or its actions, commitments or agreements.

(b) All representations, warranties, covenants, agreements, undertakings and indemnities included or provided for in this Agreement, or in any exhibit, document, certificate or other instrument delivered pursuant to this Agreement, shall survive the Closing and the delivery of any documents contemplated under or referenced in this Agreement.

(c) This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall be deemed an original instrument, but all of which together



shall constitute but one and the same instrument. This Agreement shall become operative when each party hereto has executed at least one counterpart of this Agreement.

(d) This Agreement may not be altered or amended, nor may any rights hereunder be waived, except by an instrument in writing executed by the party or parties to be charged with such amendment or waiver. No waiver of any term, provision or condition of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

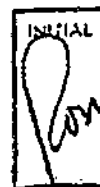
(e) All notices, communications, consents or approvals required or permitted under this Agreement shall be in writing and shall be delivered by hand, by recognized overnight courier service or by registered or certified mail, postage or delivery charges prepaid, addressed as set forth in the signature blocks of this Agreement. All notices, communications, consents or approvals which are delivered by hand or recognized overnight courier service shall be deemed given on the date actually delivered to the recipient. All notices, communications, consents or approvals delivered by mail shall be deemed given on the date of delivery indicated on the registered or certified mail return receipt. Notwithstanding any other provision of this Section, if any party refuses to accept delivery of any notice or communication tendered to it, such notice shall be deemed given on the date tendered for delivery. Any party to this Agreement may, by written notice given in accordance with this subsection to the other parties, change the address to which delivery of notices and communications shall thereafter be made. La Quinta shall promptly provide a copy of any notice given by it to Sellers under this Agreement to Martin E. Harband, Greene, Chauvel, Descalso & Tully, 901 Mariner's Island Boulevard, Suite 400, San Mateo, California 94404-1594.

(f) No party to this Agreement may assign all or any portion of its rights to and interests in this Agreement to any other party without the prior written consent of the other parties hereto; provided, however, Sellers may, without the consent of La Quinta, assign their right, title and interest under this Agreement to the extent necessary to effectuate the tax-free exchange referenced in Section 12 of this Agreement. No such assignment shall relieve Sellers of their duties and obligations to La Quinta under this Agreement.

(g) The exhibits to this Agreement are an integral part of this Agreement and shall be deemed to be incorporated into this Agreement.

(h) The headings of the sections of this Agreement are for guidance and convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of this Agreement. References in this Agreement to any section, subsection or article shall, unless otherwise specified, refer to the designated section, subsection or article in this Agreement.

(i) This Agreement and the transaction described herein shall be construed in accordance with, and governed by, the laws of the State of Utah.



(j) If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief at law or in equity to which it may be entitled.

(k) Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall be ineffective in such jurisdiction only to the extent of such prohibition or unenforceability without affecting the remaining provisions of this Agreement.

(l) This Agreement (including the exhibits hereto) constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all negotiations, prior discussions and prior agreements and understandings relating to such subject matter. No representation, warranty, covenant, agreement, promise, inducement or statement, whether oral or written, has been made by any party that is not set forth in this Agreement or in the instruments referred to herein, and no party shall be bound by or liable for any alleged representation, warranty, covenant, agreement, promise, inducement or statement not so set forth.

(m) This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns. Except as expressly stated in this Agreement, nothing contained in this Agreement is intended to confer upon any person or entity other than the parties hereto any benefits, rights or remedies.

(n) Each party hereto shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such instruments and take such other action as may be necessary or advisable to carry out their respective obligations under this Agreement and under any exhibit, document, certificate or other instrument delivered pursuant to this Agreement.

(o) Each of the duties and obligations of Sellers under this Agreement shall be the joint and several duty or obligation of each Seller.

(p) -- Sellers hereby acknowledge that none of them have relied on La Quinta or any of its owners, officers, employees, agents or attorneys, for legal or tax advice.

(q) If any date specified in this Agreement for the performance of any duty or obligation, the expiration of any time period, the giving of any notice, or the occurrence of any event, including without limitation, the occurrence of the Closing Date, is a day other than a Business Day (as defined hereinafter), such date shall be deemed to be the next succeeding day that is a Business Day. For purposes of this subsection, "Business Day" shall mean any day other than a Saturday, Sunday, official federal holiday or official holiday of the State of Utah.



IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below, to be effective for all purposes as of the date first set forth in the heading hereof.

LA QUINTA INNS, INC., a Texas corporation

By: *[Signature]*

Its: *Vice President - Real Estate Acquisitions*

Address: 112 East Pecan Street, Suite 200
San Antonio, Texas 78205

M M
for

Michele E. Scott, an individual
Address: c/o Robert F. Edwards, Jr.
1565 Adrian Road
Burlington, California 94010

Burlington

[Signature]
Robert F. Edwards, Jr., an individual APR - 9 1998
Address: 1565 Adrian Road
Burlington, California 94010

Burlington

Kathryn Edwards-Repka, an individual
Address: c/o Robert F. Edwards, Jr.
1565 Adrian Road
Burlington, California 94010

Burlington

Kerry Edwards, an individual
Address: c/o Robert F. Edwards, Jr.
1565 Adrian Road
Burlington, California 94010

Burlington

TABBED PAGE

EXHIBIT E

1
2
3 LE A S E

4 THIS LEASE, made and executed as of the 1st day of August,
5 1961, between ROBERT F. EDWARDS, trustee of trust created by
6 Frank Edwards and Helen R. Edwards under date of August 1, 1961,
7 for the benefit of Michele, Robert F. II, Kathryn and Kerry
8 Edwards, as lessor, and FRANK EDWARDS CO., a Utah corporation,
9 as lessee.

10 IT IS AGREED between the parties hereto as follows:

11 1. DESCRIPTION OF PREMISES. Lessor hereby leases to
12 lessee and lessee hires from lessor, on the conditions herein-
13 after set forth, those certain premises with the appurtenances
14 situated in the City of Salt Lake, State of Utah, situate on
15 the southwesterly corner of the intersection of First South
16 Street and Second West Street, and more particularly delineated
17 in and upon the plat attached hereto as Exhibit A.

18 2. TERM. The term of the within lease shall be ten (10)
19 years, commencing August 1, 1961.

20 3. RENT. Lessee covenants and agrees to pay to lessor,
21 as the rent for the demised premises, the following:

22 A sum for and on account of each calendar month
23 of the term hereof, payable in advance on the first day of such
24 calendar month, equal to the aggregate of the following items
25 (a) to (c), both inclusive, viz:

26 (a) The sum of one thousand two hundred fifty
27 dollars (\$1,250.00) plus

28 (b) an amount equal to one twelfth (1/12) of
29 all real estate taxes and assessments levied or assessed
30 upon or with respect to the demised premises for the tax
31 fiscal year in which such calendar month is included, and
32 which are paid or are payable by lessor, plus

(c) that portion of all premiums for all insurance carried by lessor pursuant to the provisions of this instrument (see paragraph 1 hereof) which are earned during each calendar month.

11. CASUALTY INSURANCE. Lessor shall obtain and keep in full force and effect during the term hereof fire and extended coverage insurance on all buildings and improvements situated on the demised premises, insuring same in an amount at least equal to eighty percent (80%) of their replacement value, if obtainable, from responsible fire insurance company or companies. Said insurance may be included, if available to lessor, under a multiple peril policy. Such insurance shall be effected in the name of lessor or in the name of any mortgagee, or both, and the proceeds of said policies shall be payable to lessor or to said mortgagee as their interests may appear. Lessor shall exert reasonable efforts to obtain from all insurers of the demised premises a waiver of subrogation rights against lessee. It is specifically agreed and understood that, in any event, lessee shall not be responsible for and is hereby released from all liability to lessor, to lessor's insurers, or to anyone claiming under or through lessor for any loss or damage whatsoever, including loss of rental value of the demised premises, resulting from fire, regardless of cause or origin, specifically including the negligence of lessee, its agents, employees or guests.

12. UTILITIES. Lessee shall be entirely responsible for the installation, maintenance and cost of all utilities desired or it at any time during the term hereof servicing said demised premises, including water, heat, light, power, telephone, gas, etc., or the like.

1 6. MAINTENANCE AND REPAIRS. Lessee shall, at all times
2 during the term hereof, at its own cost and expense, keep
3 the whole and each and every part of the demised premises, or
4 any replacement or reconstruction thereof, in good order,
5 condition, and repair; provided, however, that any repairs or
6 reconstruction resulting from fire or other cause insured
7 against hereunder shall be repaired or reconstructed in
8 accordance with the provisions of paragraph 7 hereof.
9

10 7. DAMAGE OR DESTRUCTION.

11 A. If the demised premises shall, during the
12 term hereof, be damaged or destroyed by fire or other cause,
13 the lessor (except as otherwise provided in subparagraphs D
14 and E of this paragraph) shall and will forthwith proceed to
15 repair or rebuild the same on the same plan and design as
16 before, subject to such delays as may be caused by governmental
17 restrictions, inability to obtain materials or labor, or
18 other causes beyond the reasonable control of lessor.

19 B. Lessee shall be entitled to a proportionate
20 reduction of the rental herein provided while repairs are
21 being made, such proportionate deduction to be based upon the
22 extent to which the making of such repairs shall interfere
23 with the business carried on therein.

24 C. Lessee shall in no case be entitled to
25 compensation or damage from lessor by reason of any inconvenience,
26 annoyance, damage to stock, or loss of business resulting by
27 reason of any damage or destruction to the demised premises,
28 or by anything done by lessor in repairing or restoring the
29 demised premises in accordance with the provisions hereof if
30 done in a good and workmanlike manner and with due and ordinary
31 care.
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D. In the event the improvements on the demised premises are damaged or destroyed to the extent of fifty percent (50%) or more of their monetary value at the time of such damage or destruction thereto by any cause other than fire or causes insured against, then either party hereto shall have the right to terminate this lease by giving to the other party written notice of election to terminate, said notice to be given within thirty (30) days after the occurrence of such damage or destruction.

E. Lessor may terminate this lease in the event that lessor is prevented (as distinguished from delayed) from repairing or restoring the premises by the provisions of any laws, regulations or orders of federal, state, county or municipal authorities, by giving thirty (30) day notice thereof.

F. In the event of any dispute between lessor and lessee relative to the rights or obligations of either pursuant to this paragraph 7, each party shall select an arbitrator and the two arbitrators so selected shall select a third arbitrator, and they shall determine the controversy, and their decision thereon shall be binding. Each party shall pay the fee of the arbitrator selected by them or it, and both parties shall pay equally the fee of the third arbitrator and the costs of the arbitration.

8. WASTE. Lessee shall not commit, nor suffer to be committed, any waste upon the said premises, or any nuisance, nor do or permit anything to be done in or about the demised premises which shall in any way conflict with any law, ordinance, rule or regulation affecting the occupancy and use of said premises which is now in force or may hereafter be enacted or promulgated by federal, state, county, municipal or other governmental authority, lessee specifically agreeing not to

allow said premises to be used for any improper, immoral, unlawful, or objectionable purpose.

9. LIENS. Lessee shall keep the demised premises and the property on which the demised premises are situated free and harmless from any liens arising out of any work performed, materials furnished, or obligations incurred by lessee.

10. NONLIABILITY OF OWNER FOR DAMAGES. This lease is made upon the express condition that lessor is to be free from all liability and claim for damages by reason of any injury to any person or persons, including employees of lessee, or property of any kind whatsoever and to whomsoever belonging, including lessee, from any cause or causes whatsoever while in, upon, or in any way connected with the said demised premises during the term of this lease or any extension hereof or any occupancy hereunder, lessee hereby covenanting and agreeing to indemnify and save harmless lessor from all liability, loss, cost, and obligations on account of or arising out of any such injuries or losses however occurring.

11. LIABILITY INSURANCE. Lessee further agrees to take out and keep in force during the life hereof at lessee's expense public liability insurance to protect against any liability to the public incident to the use of or resulting from any accident occurring in or about said premises, the liability under such insurance to be not less than three hundred thousand dollars (\$300,000.00) for any one person injured, or five hundred thousand dollars (\$500,000.00) for any one accident, or fifty thousand dollars (\$50,000.00) for property damage. These policies shall insure the contingent liability of lessor and are to be placed with lessor, and lessee is to obtain a written

obligation on the part of the insurance carriers to notify lessor in writing prior to any cancellation thereof, and lessee agrees, if lessee does not keep such insurance in full force and effect, that lessor may take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be part of the rental and payment thereof shall be made on the next day upon which rent becomes due.

12. ENTRY BY OWNER. Lessee shall permit lessor and its agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the same.

13. ASSIGNMENT OR SUBLETTING. Lessee may not assign this lease, or any interest therein. Lessee may sublet the said premises or any part thereof, or any right or privilege appurtenant thereto, provided lessee is not in default under the terms of this lease.

14. INSOLVENCY. RECEIVER. Either (a) the appointment of a receiver to take possession of all or substantially all of the assets of lessee, or (b) a general assignment by lessee for the benefit of creditors, or (c) any action taken or suffered by lessee under any insolvency or bankruptcy act shall constitute a breach of this lease by lessee.

15. REMEDIES OF OWNER ON DEFAULT. In the event of any breach of this lease by lessee, lessor, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, lessee. Should lessor elect to re-enter, as herein provided, or take

possession pursuant to legal proceedings or pursuant to any notice provided for by law, lessor may either terminate this lease or may, from time to time, without terminating this lease, re-let said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as lessor may deem advisable, with the right to make alterations and repairs to said premises.

16. SURRENDER OF LEASE NOT MERGER. The voluntary or other surrender of this lease by lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of lessor, terminate all or any existing subleases or subtenancies, or may, at the option of lessor, operate as an assignment to lessor of any or all such subleases or subtenancies.

17. ATTORNEY FEES ON DEFAULT. In case suit be brought because of any breach of the covenants herein contained on the part of either of the parties hereto to be kept and performed and judgment is rendered therein, the losing party shall pay to the prevailing party a reasonable attorney fee which shall be fixed by the court rendering such judgment.

18. NOTICES. All notices to be given to lessee may be given in writing personally or by depositing the same in the United States mail, postage prepaid, and addressed to lessee at the said premises, whether or not lessee has departed from, abandoned, or vacated the premises.

19. WAIVER. The waiver by lessor of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or

1 any subsequent breach of the same or any other term, covenant,
2 or condition herein contained. The subsequent acceptance of
3 rent hereunder by lessor shall not be deemed to be a waiver
4 of any preceding breach by lessee of any term, covenant, or
5 condition of this lease, other than the failure of lessee to
6 pay the particular rental so accepted, regardless of lessor's
7 knowledge of such preceding breach at the time of acceptance
8 of such rent.

9
10 20. HOLDING OVER. Any holding over after the expiration
11 of the said term, with the consent of lessor, shall be construed
12 to be a tenancy from month to month, at the rental hereinabove
13 provided, and shall otherwise be on the terms and conditions
14 herein specified, so far as applicable.

15
16 21. CONDEMNATION CLAUSE. In the event of any taking or
17 damage of all or any part of the leased premises, or any
18 interest therein, by reason of any exercise of the power of
19 eminent domain, whether by a condemnation proceeding or
20 otherwise, or any transfer of all or any part of the leased
21 premises or any interest therein made in avoidance of an
22 exercise of the power of eminent domain (all of the foregoing
23 being hereafter referred to as "appropriation") prior to or
24 during the term hereof (or any extension or renewal thereof),
25 the rights and obligations of lessor and lessee with respect
26 to such appropriation shall be as hereafter provided in this
27 paragraph.

28 In the event of an appropriation of all of the
29 leased premises, this lease shall terminate as of the date of
30 such appropriation.

31 In the event of an appropriation of less than
32 all of the leased premises, this lease shall continue in full

1 force and effect except as hereafter provided in this section.
2 The leased premises shall be reduced by the portion appropriated.
3 The total lease rental for the remainder of the term immediately
4 prior to appropriation shall be abated in an amount which
5 bears the same ratio to such total lease rental as the amount
6 of the entire award, including compensation, damages, and
7 interest, if any, made with respect to the appropriation
8 (including any severance damages), bears to the value of the
9 entire leased premises immediately prior to the appropriation.
10 If the appropriation shall either (a) render more than thirty
11 percent (30%) of the total area of the leased premises
12 unavailable or untenable, or (b) substantially impair
13 the use of the leased premises by lessee, then in either such
14 case lessee shall have the right to elect to terminate this
15 lease. Any such election shall be made by written notice from
16 lessee to lessor on or before thirty (30) days after the date
17 of the appropriation. Any such termination shall be effective
18 as to the date of the appropriation.

19 If this lease is terminated pursuant to this
20 paragraph, lessee shall be entitled to the award for any
21 improvements to the leased premises made by lessee plus the
22 award for the interest of lessee in this lease.

23 In the event of an appropriation of less than
24 all of the leased premises and if this lease is not terminated
25 pursuant to this paragraph, lessee shall be entitled to the
26 award for any improvements made by lessee to the portion of
27 the leased premises appropriated plus the award for the interest
28 of lessee.

29
30 22. IMPROVEMENTS AND ALTERATIONS. Lessee may make
31 improvements or alterations to the demised premises after first
32

1 obtaining lessor's written approval of plans and specifications
2 for such improvements or alterations.

3 All improvements, replacements, buildings and
4 additions made or erected on the leased premises by the lessee,
5 excepting only trade fixtures, shall belong to and become the
6 property of the lessor.

7
8
9 23. MISCELLANEOUS.

10 A. This lease and the covenants and agreements
11 herein contained shall bind and inure to the benefit of the
12 parties hereto, their heirs, successors, executors, adminis-
13 trators and assigns.

14 B. The headings or titles to the paragraphs
15 of this lease are not a part of this lease and shall have no
16 effect upon the construction or interpretation of any part
17 thereof.

18 C. Time is of the essence of this lease.

19 IN WITNESS WHEREOF, lessor and lessee have executed this
20 lease the day and year first above written.

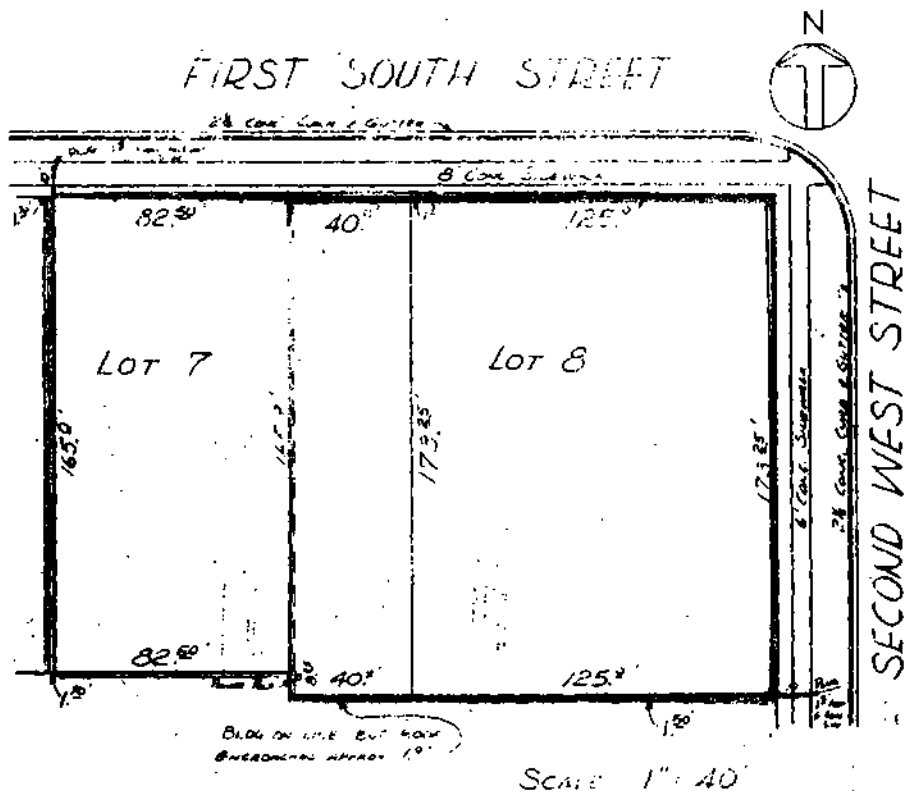
21
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23 Robert F. Edwards, trustee

24 LESSOR

25 FRANK EDWARDS CO.

26
27 By

28 LESSEE
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I, Mack S. Kealy of Salt Lake City, Utah, do hereby certify that I am a Registered Professional Engineer and am duly qualified to make a plat No. 96, as prescribed by the laws of the State of Utah, and that I have surveyed the following described property:

The West 10 rods of the North 10 rods of lot 7, block 1, plat 24, of the Salt Lake City Survey, and also the North 173.25' of lot 8, block 1, plat 24, of the Salt Lake City Survey.

Said plat shows the location and dimensions of all building, survey, easements, or rights of way in said tract or known to me and hereunder to be on the premises.

July 7, 1911.

Mack S. Kealy
 Mack S. Kealy, Eng. and Surveyor
 1777 South 11th East St.
 Salt Lake City, Utah

RECORDED